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Canada	C\$ 1.20	Kuwait	200 R.	Iran	100 R.
Czechoslovakia	100 K.	Laos	100 R.	Lebanon	100 R.
Denmark	800 D.	Malaysia	100 R.	Libya	100 R.
Egypt	100 P.	Mexico	100 P.	Madagascar	100 R.
France	100 F.	Nicaragua	100 C.	Mali	100 F.
Germany	2.30 D.	Poland	100 Z.	Morocco	100 D.
Greece	100 D.	Romania	100 L.	Norway	100 K.
India	100 R.	Saudi Arabia	100 R.	Sweden	100 K.
Italy	100 L.	Sri Lanka	100 R.	Switzerland	100 F.
Japan	100 Y.	Taiwan	100 N.	Thailand	100 B.
Korea	100 W.	USSR	100 R.	Turkey	100 L.
Malaysia	100 R.	Vietnam	100 D.	Yugoslavia	100 D.

U.S. to Act On Trade Practices

Grants Would Subsidize Sales Of Equipment

By Oswald Johnson
Los Angeles Times Service

WASHINGTON — The Reagan administration has stepped up its policy of retaliating against trading practices it considers unfair by offering aid grants in conjunction with sales contracts to Third World countries that buy U.S. equipment.

The Export-Import Bank said Wednesday it would offer the aid grants in conjunction with six transactions valued at \$250 million in potential sales.

The transactions involve heavy transportation equipment, electric power generators and computers that have been offered for sale to unidentified countries in Africa, Asia and Latin America.

Officials of the bank, which aids in financing the export of U.S. goods and services, said the grants were designed primarily to retaliate against similar practices by France, Italy and Belgium.

Those nations have been resisting U.S. efforts to win agreement among industrial countries to reduce the practice of giving aid in return for sales contracts, which the administration regards as a "predatory trading practice."

"Our proposed actions are targeted against countries that are hampering the progress of international negotiations to eliminate these predatory practices," William H. Draper 3d, chairman of the Ex-Im Bank, said Wednesday.

Mr. Draper told a House Banking subcommittee last week that the aim of the retaliatory measures would be to win contracts for U.S. suppliers or make it "cost the competition a lot more to keep the business, and that should make them more willing to come to the bargaining table."

Last month, the Reagan administration sent Congress a package of trade actions that included \$300 million in foreign aid and low-cost credit. Officials said the grants announced Wednesday would be funded under that proposal.

The U.S. trade deficit, which is expected to reach a record \$150 billion in 1985, has brought a wave of protectionist legislation in Congress. The administration proposal, which also includes a request for laws against dumping of goods produced abroad, represents an attempt to head off new tariffs and quotas.

The administration has also moved to reduce the value of the dollar, which is the factor most responsible for the growth of the trade deficit.

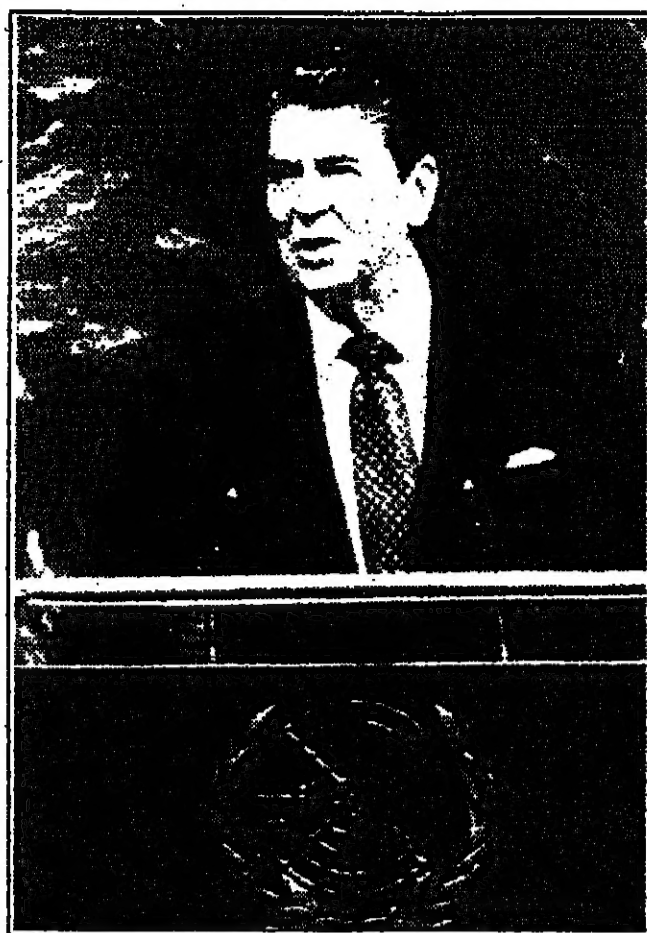
In recent years, the United States has negotiated limits on the practice of subsidizing exports in the guise of credits tied to aid. The most recent success came in April, when the Export Credit Committee of the Organization for Economic Cooperation and Development agreed to ban mixed credits for aircraft and nuclear generating equipment and to require that the aid component of any mixed credit package offered a developing country should be at least 25 percent of any contract.

The United States would like to ban the practice altogether but, in lieu of that, to boost the required aid component to 50 percent, a level high enough to make it unprofitable to disguise trade subsidies as foreign aid.

But the French, backed by Belgium and Italy, have declined to negotiate further limits to the "gentleman's agreement" that governs what export subsidies OECD countries are allowed to offer.



Edward A. Shevardnadze, the Soviet foreign minister, hand on chin, and Oleg A. Troyanovsky, the Soviet delegate to the United Nations, listened Friday as President Ronald Reagan addressed the UN General Assembly in New York.



The United Nations, listened Friday as President Ronald Reagan addressed the UN General Assembly in New York.

Reagan Calls on Moscow To Withdraw Support to Conflicts in Third World

By David Hoffman
Washington Post Service

UNITED NATIONS, New York — President Ronald Reagan, calling for a "fresh start" in super-power relations, challenged the Soviet Union on Thursday to disengage from five regional conflicts in Asia, Africa and Central America.

In an address to the United Nations General Assembly designed to blunt Soviet emphasis on arms control before his November meeting with Mikhail S. Gorbachev, the Soviet leader, Mr. Reagan sharply criticized Soviet expansionism in Afghanistan, Angola, Nicaragua, Ethiopia and Cambodia.

He proposed a "regional peace process" to resolve disputes in these nations but also vowed that "America's support for struggling democratic resistance forces must not and shall not cease." The United States is supplying aid to such forces in Nicaragua and Afghanistan and is considering aid for them in Angola.

While the Soviet Union has devoted extensive attention to arms control issues in advance of the session between Mr. Reagan and Mr. Gorbachev, Mr. Reagan gave it only limited focus in his address.

He described the recent Soviet proposal for a 50-percent cut in nuclear weapons as including "seeds which we should nurture." He delivered an appeal for his Strategic Defense Initiative in which he quoted Alexei Kosygin, a former Soviet prime minister, as saying 18 years ago that defenses against ballistic missiles "preserve human lives."

Mr. Reagan also declared that he would discuss with Mr. Gorbachev the division of Europe.

"Peace based on partition cannot be true peace," he said. "Put simply: nothing can justify the continuing and permanent division of the European continent. Walls of

partition and distrust must give way to greater communication for an open world."

As Mr. Reagan spoke, the Soviet foreign minister, Eduard A. Shevardnadze, listened quietly. He was to meet with Mr. Reagan later, after delivering an address of his own to the General Assembly.

In contrast to his election-year speech to the United Nations last October, which took a conciliatory tone toward Moscow, Mr. Reagan on Thursday returned to the criticism of Soviet expansionism that has marked most of his career as president.

"It is difficult for us to understand the ideological premise that force is an acceptable way to expand a political system," Mr. Reagan said. "We cannot accommodate ourselves to the use of force and subversion to consolidate and expand the reach of totalitarianism."

Mr. Reagan cited Soviet military involvement in Afghanistan, Ethiopia, Angola, Nicaragua and the "Soviet-backed Vietnamese soldiers" occupying Cambodia.

"All of these conflicts, some of them under way for a decade," he said, "originate in local disputes but they share a common characteristic: They are the consequences of an ideology imposed from without, dividing nations and creating regimes that are, almost from the day they take power, at war with their own people."

"And in each case," Mr. Reagan said, "Marxism-Leninism's war with the people becomes war with their neighbors. These wars are exacting a staggering human toll and threaten to spill across national boundaries and trigger dangerous confrontations."

Mr. Reagan called for a three-stage regional peace process that would include negotiations among warring parties, U.S.-Soviet talks aimed at eliminating foreign military presence and arms flows and, finally, economic aid.

White House officials said they expected a strong Soviet rejection of the proposal. But they said it would prove valuable as a way to blunt the Soviet propaganda drive before the summit and expressed the hope that it would also have an impact upon the arms control talks in Geneva, prodding the Russians to bargain seriously on reducing nuclear weapons.

Mr. Reagan's address came amid ceremonies marking the 40th anniversary of the founding of the United Nations.

He hailed UN successes but said there had been disappointments such as a failure to deal with "real security issues" and the "politicization of too many agencies, the misuse of too many resources."

■ Shevardnadze Address

Mr. Shevardnadze, in his address to the General Assembly, warned Thursday that the arms race was taking the world nearer "the edge of an abyss" and called for abandonment of the Strategic Defense Initiative, Reuters reported from New York.

Mr. Shevardnadze said the Soviet Union was proposing:

"A world without weapons in space, a world where nuclear arms would be radically reduced and then eliminated altogether and a world where the U.S.S.R. and the United States would set an example for other nuclear powers by stopping any nuclear explosions."

He also said that the Soviet Union wanted "a world where the U.S.S.R. and the United States would renounce the development of new nuclear weapons, freeze

(Continued on Page 4, Col. 5)

U.S., Allies Discuss Gorbachev Summit

By Steven J. Dryden
International Herald Tribune

NEW YORK — President Ronald Reagan and the heads of five major allied nations met Thursday to discuss the possibility of a summit with Soviet leader Mikhail S. Gorbachev.

The talks followed a speech by Mr. Reagan to the United Nations in which he concentrated on Soviet involvement in regional conflicts and touched only briefly on nuclear arms control, the major preoccupation of the Western European allies, Japan and Canada.

Mr. Reagan told a House Banking subcommittee last week that the aim of the retaliatory measures would be to win contracts for U.S. suppliers or make it "cost the competition a lot more to keep the business, and that should make them more willing to come to the bargaining table."

Last month, the Reagan administration sent Congress a package of trade actions that included \$300 million in foreign aid and low-cost credit. Officials said the grants announced Wednesday would be funded under that proposal.

The U.S. trade deficit, which is expected to reach a record \$150 billion in 1985, has brought a wave of protectionist legislation in Congress. The administration proposal, which also includes a request for laws against dumping of goods produced abroad, represents an attempt to head off new tariffs and quotas.

The administration has also moved to reduce the value of the dollar, which is the factor most responsible for the growth of the trade deficit.

In recent years, the United States has negotiated limits on the practice of subsidizing exports in the guise of credits tied to aid. The most recent success came in April, when the Export Credit Committee of the Organization for Economic Cooperation and Development agreed to ban mixed credits for aircraft and nuclear generating equipment and to require that the aid component of any mixed credit package offered a developing country should be at least 25 percent of any contract.

The United States would like to ban the practice altogether but, in lieu of that, to boost the required aid component to 50 percent, a level high enough to make it unprofitable to disguise trade subsidies as foreign aid.

But the French, backed by Belgium and Italy, have declined to negotiate further limits to the "gentleman's agreement" that governs what export subsidies OECD countries are allowed to offer.

At the meeting, European participants reportedly reacted unenthusiastically to proposals that would increase alliance cooperation in developing conventional weapons. The proposals are part of a U.S. effort to save funds and standardize Western weaponry.

A U.S. official at NATO said the

the treaty by hard-line members of the Reagan administration who want to push ahead with the program.

The talks in New York were attended by the leaders of Britain, West Germany, Italy, Japan and Canada.

The Soviet and U.S. differences over priorities for the Geneva summit meeting were underlined by the speeches delivered at the UN by Mr. Reagan and Foreign Minister Eduard A. Shevardnadze of the Soviet Union.

While the U.S. leader made Moscow's behavior throughout the world a central issue, Mr. Shevardnadze dealt mainly with arms control.

Mr. Shevardnadze outlined two new Soviet concessions. He said Moscow was ready for the first time to discuss limits on medium-range missiles based in Asia and would also consider new ways of verifying a future U.S.-Soviet arms agreement.

Allied officials said their leaders would press Mr. Reagan to respond to Moscow's arms control offers and retrieve the initiative by making new proposals of his own.

Italian and Canadian spokesmen said it was vital for the United States to match Soviet movement

on the arms question, even if Moscow's latest proposals were more of style than of substance.

Other European allies, facing strong disarmament lobbies at home, have also made it clear that they want a powerful Western response to Mr. Gorbachev to neutralize the effect of his initiatives on public opinion in Western Europe.

Officials said the Europeans had closely consulted in advance of Thursday's meeting and had taken a unified line on the need to avoid tampering with the ABM treaty.

They also wanted to pin down Mr. Reagan on how far he was ready to discuss the Strategic Defense Initiative when he meets with Mr. Gorbachev.

West German sources said that if there were no answers on these points at their meeting they would be raised again at a dinner given by Mr. Reagan in the evening.

■ Reagan and Craxi Meet

Mr. Reagan and Bettino Craxi of Italy, who clashed over the handling of the hijacking of the Achille Lauro cruise ship, met Thursday to discuss their differences, according to a senior U.S. official quoted by The Associated Press.

The official said the general theme of Mr. Craxi, the prime minister-designate, "was that U.S.-Ital-

ian friendship and the alliance have never been called into question and that while there may have been differences at no time did it throw the relationship into a shade."

Relations between the United States and Italy were strained by Italy's decision to release Mohammed Abbas, the leader of a faction in the Palestine Liberation Organization. The United States has accused Mr. Abbas of planning the hijacking.

Mr. Craxi's government fell Oct. 16 after Defense Minister Giovanni Spadolini withdrew his Republican Party from the governing coalition, citing the government's handling of the hijacking.

Prime Minister Gandhi of India, left, talked Thursday with President Zia of Pakistan.



Prime Minister Gandhi of India, left, talked Thursday with President Zia of Pakistan.

Gandhi, Zia Agree to Negotiations

Seek to Reassure Each Other on Nuclear Programs

New York Times Service

UNITED NATIONS, New York — The leaders of India and Pakistan have agreed to start negotiations to help reassure each other about the peaceful nature of their nuclear programs, according to Prime Minister Rajiv Gandhi of India. No timetable for the talks was set.

Mr. Gandhi said Wednesday after meeting with President Mohammed Zia ul-Haq of Pakistan that the two governments had also agreed to begin talks on how to improve security on their borders and increase economic cooperation.

Foreign Minister Sahabzada Yaqub Khan of Pakistan said the meeting was "cordial and substantial." He added, "Problems cannot

be resolved at one stroke, but there was very positive movement."

Mr. Gandhi and Mr. Zia, whose countries have fought three wars since they became independent in 1947, have had exceptionally kind words for each other during their

hatchet with. Let's say he's easy to deal with."

Specifically, the two leaders agreed that their Foreign Ministry secretaries would immediately begin talks on how to seal their border to terrorists and smugglers and how to increase trade.

The two leaders met for 35 minutes Wednesday in Mr. Zia's hotel suite at the president's request. They have met twice before, at the funeral of Indira Gandhi, the slain Indian prime minister, and at the funeral of Kostasinos U. Chernenko, the Soviet leader. But the meeting Wednesday "marked a big step forward after the last two meetings," Mr. Yaqub Khan said.

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(Continued on Page 4, Col. 1)

U.S. Congress Is Reported Irritated As Allies React Coolly to Arms Fund

By Steven J. Dryden
International Herald Tribune

BRUSSELS — Reluctance by some West European allies to join with the United States in cooperative weapons programs is fueling irritation in Congress concerning the U.S. military role in the North Atlantic Treaty Organization, a U.S. official warned Thursday.

The official, who spoke to reporters on condition that he not be identified, made the comments after a meeting here of NATO armaments directors.

At the meeting, European participants reportedly reacted unenthusiastically to proposals that would increase alliance cooperation in developing conventional weapons. The proposals are part of a U.S. effort to save funds and standardize Western weaponry.

A U.S. official at NATO said the

proposals had to be "watered down" to allay what he characterized as allied suspicions.

The official warned that Congress, as early as next fall, might react to European attitudes by voting to cut the American military role in Europe unless the allies demonstrated their seriousness about helping strengthen NATO's conventional military capabilities in the next nine months.

Senator Sam Nunn of Georgia, the senior Democrat on the Armed Services Committee, introduced a bill in 1984 that would have withdrawn one-third of the U.S. troops in Europe if the allies did not increase defense spending. The bill was narrowly defeated.

The U.S. official at the meeting Thursday in Brussels said congressional leaders have told him that if the allies' contributions to NATO

are judged insufficient, and Mr. Nunn were to introduce a similar bill next year, the legislation would easily pass.

"We could get a congressional backlash," the official said. Mr. Nunn "is watching, and he is watching very, very carefully" what action the European allies take.

Although European matching funds are not required for the so-called Nunn fund, Mr. Nunn, an influential congressional leader on alliance issues, reportedly expected the allies' cooperation.

The U.S. official at NATO said the allies feared that the special fund would mainly benefit U.S. research and development efforts, and would not encourage the purchase of European weapons by the United States.

The official said that while the allies were concerned about promoting their own military industries, they should recognize that without cooperation in research and development, they would always be dominated by the larger U.S. defense industry.

There are two main areas where it is necessary for the allies to be responsive, the official said. The first is action to follow through on commitments made by NATO in the past year to improve annual-

(Continued on Page 4, Col. 4)

Iceland Women Strike but One Yields



Vigdis Finnbogadóttir

REYKJAVIK, Iceland — President Vigdis Finnbogadóttir joined thousands of other women Thursday in a 24-hour strike for women's rights. At the same time, she relented under pressure from her government and signed a bill to end a strike by Icelandic stewardesses.

In the morning, as the protest opened, groups of men crowded into hotels after their wives refused to cook breakfast for them. Most of Iceland's telephone switchboards were left unstaffed.

Women make up more than half of Iceland's population of 240,000, and 80 percent of them work. They generally earn 40 percent less than men, although they are entitled by law to equal pay for the same job. Women are virtually excluded from top positions in business and industry.

The president said she would stay away from her office as a sign of solidarity with the strikers.

Officials said she at first refused to approve emergency

legislation designed to halt a strike by the country's 160 stewardesses, saying the measure applied to a typically female job and was presented to her on a day when Icelandic women were demonstrating in support of their rights. However, other members of the government persuaded her to sign the bill.

The stewardesses, whose strike on Wednesday stranded half the country's airlines at foreign airports, said they would defy an order to return to work and would attend a women's rally in the capital later Thursday. The slogan for the rally was, "We dare, we can, we will."

After thousands of women who work in supermarkets failed to show up, their employers broadcast radio announcements that told all employees to take the day off.

There were no official organizers behind Thursday's strike and no strike warnings had been issued, making the protest illegal under the island's labor laws.

Returning from a five-hour visit to Amman, Jordan, Mr. Mubarak said:

"We discussed prospects for the

Mubarak and Hussein Review Proposals by Peres

Compiled by Our Staff From Dispatches

CAIRO — President Hosni Mubarak of Egypt reviewed the state of the Middle East with King Hussein of Jordan on Thursday and said afterward they had agreed to continue working for peace.

It was the first meeting between the two chief Arab partners of the United States since the Middle East "peace process" was shaken this month by Israel's air raid on Palestine Liberation Organization headquarters in Tunis and the hijacking by Palestinians of the Italian cruise ship Achille Lauro.

Returning from a five-hour visit to Amman, Jordan, Mr. Mubarak said:

"We discussed prospects for the

peace process. We need the process now more than before. It is very important to move forward the peace process."

Mr. Mubarak said they were studying proposals made by Prime Minister Shimon Peres of Israel at the United Nations for direct talks with Jordan to end the state of war between them.

"There are some good points and we have reservations about some others," he said.

Hussein said he had serious problems with Mr. Peres's proposal, "but I certainly applaud the spirit."

The Egyptian leader has called for more vigorous pursuit of peace after the Achille Lauro hijacking

and a U.S. operation on Oct. 10 to force down an Egyptian aircraft trying to take the four hijackers to Tunis.

Diplomats in Cairo said he wanted speedy efforts by Washington to revive the peace process to prove its commitment to Middle East peace.

Egypt is the only Arab state that has relations with Israel, as a result of their 1979 peace agreement.

Prior to the meeting, Hussein said he planned to meet soon with the PLO's chairman, Yasser Arafat, "to reassess the entire situation."

Before Mr. Mubarak arrived in Amman, Hussein said that an offer by Mr. Peres to go to Jordan for

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Lange Plans to Submit Bill to Formalize Ban On U.S. Nuclear Ships

By Jim Hoagland and Don Oberdorfer
Washington Post Service

NEW YORK — Prime Minister David Lange of New Zealand has said that he will introduce legislation by early December formally banning U.S. warships carrying nuclear weapons from visiting his country.

U.S. officials have asserted that such a step would sharpen the challenge that they believe New Zealand's policy poses for the Reagan administration in managing alliances around the world.

New Zealand's policy excludes nuclear weapons and nuclear-powered ships from the country. Enshrining that policy in law would trigger a further reassessment of military relations between the two nations, these officials said.

Mr. Lange on Wednesday laid repeated and heavy emphasis during an interview on his desire to continue strong defense ties to the United States.

"Our anti-nuclear policy is not an anti-American policy," he said. "It is impossible to be anti-American in New Zealand and be a political survivor."

But he insisted that public sentiment in New Zealand dictated that these ties had to be on a nonnuclear basis.

Referring to the confrontation with France over the sinking of the Greenpeace environmental group's ship Rainbow Warrior by French secret agents, Mr. Lange said that the episode, if anything, seemed to have hardened France's insistence on continued nuclear testing in the Pacific.

The French government, he said, has whipped up "military nationalism" in the face of New Zealand's criticism of nuclear testing in general. Mr. Lange said negotiations on compensation would be resumed between the two nations in New York later this month.

The prime minister, who was in New York to address the United Nations General Assembly on Thursday, noted that he had held

the legislation affecting U.S. warships back for nearly a year in hopes of reaching a compromise with the United States, but efforts to do so had failed.

He predicted that the law would probably be enacted by next summer.

Emphasizing that New Zealand "is not nonaligned" and wants to continue to play a role with conventional forces in Western defense of the Pacific, Mr. Lange praised the Reagan administration for its "honorable and disciplined" attitude in ruling out economic sanctions against his island nation.

He acknowledged, however, that decisions by the United States to curtail cooperation on intelligence matters and to halt joint military exercises had forced New Zealand to build up stockpiles of ammunition and take other steps that would add 120 million New Zealand dollars (\$68 million) to defense spending this year.

Mr. Lange, a Methodist minister who led his Labor Party to victory in elections in July 1984, appeared buoyed by public opinion polls that gave his government high approval ratings and strong support for rejection of a U.S. nuclear shield.



David Lange

But those polls also show strong public support for the defense ties to the United States embodied in the ANZUS defense treaty, which links Australia, New Zealand and the United States.

"ANZUS was not a nuclear alliance," Mr. Lange said, noting that New Zealand "had no part of a command structure" as do members of the North Atlantic Treaty Organization and that New Zealand accepts under ANZUS only "a conventional defense" role.

Mr. Lange said that the United States and New Zealand had a good working relationship for 150 years "and I don't want to be the prime minister of a government that blows it."

Achille Lauro Hijacker Accuses Abbas In Statement to Police, Reports Say

By John Tagliabue
New York Times Service

GENOA — One of four hijackers of the Achille Lauro is reported to have told Italian investigators that a radical Palestinian leader, Mohammed Abbas, was the military head of the operation.

Justice Ministry officials in Genoa and in Rome refused to confirm the reports.

The reports, carried Wednesday in Italian newspapers, were similar to charges raised this week by a senior Palestinian Liberation Organization official in Tunis that the four hijackers were acting on the orders of Mr. Abbas.

The reports appeared as Bettino Craxi, Italy's caretaker prime minister, left for a meeting Friday with President Ronald Reagan in New York.

The reports said the hijacker was collaborating with Italian magistrates investigating the case. They said he had been separated from his three accomplices and taken to a prison in northern Italy for further questioning.

The reports are potentially embarrassing for Mr. Craxi, who is seeking to smooth relations with the United States. Relations were seriously strained over Italy's decision to allow Mr. Abbas to leave Italy on Oct. 12 despite a U.S. request for his detention.



Mohammed Abbas

Washington has described Mr. Abbas as the mastermind of the hijacking.

The reports could also complicate difficult negotiations to rebuild Mr. Craxi's five-party government, which collapsed last week over his handling of the hijacking affair, including the release of Mr. Abbas.

Mr. Craxi's government fell

when the Republican Party withdrew its three ministers. The Republicans and their leader, Giovanni Spadolini, the former defense minister, opposed Mr. Abbas's release.

Mr. Craxi has failed to bridge differences with the Republican leadership on policy, including the question of Italy's role in the Middle East.

The government has sought to cultivate warmer relations with the Arab world, including the PLO and its leader, Yasser Arafat. But the Republican leaders have argued that the Achille Lauro hijacking underscores the need for evenhandedness with all parties in the Middle East conflict.

Before leaving Rome, Mr. Craxi said his talks with President Reagan would include a discussion of the "tumultuous events" surrounding the hijacking "and the tensions that arose between us and the American government."

According to the news reports, the Palestinian who has declared his willingness to cooperate with magistrates also confessed to having killed an American tourist, Leon Klinghoffer, 69, of New York. He was shot and his body thrown overboard on the second day of the hijacking.

Italian television reported Wednesday night that the hijacker, who has not been identified, was transferred from a prison near Spoleto, in central Italy, where the four Palestinians were being held, to a maximum-security prison near Genoa.

According to the accounts, the hijacker said he and his accomplices acted on orders from Mr. Abbas, who was described as the military leader of their guerrilla group.

The Palestinian reportedly told Italian magistrates that Mr. Abbas promised him and his accomplices that his organization would carry out assassinations and hijackings to force their liberation. The promise reportedly was made after the men were arrested when an Egyptian airliner carrying them from Egypt was forced to land in Sicily.

U.S. Is Criticized
The European Parliament called Thursday for a Palestinian homeland and condemned the United States for responding to "illegal sea piracy with illegal air piracy" in the Achille Lauro incident, Reuters reported from Strasbourg, France.

In a special motion, the organization also condemned members of the Palestine Liberation Organization for hijacking the ship.

U.K. Air Force Center Badly Damaged by Fire

The Associated Press

BRAMPTON, England — A major fire has destroyed a large part of the British Air Force's Support Command headquarters at Brampton 60 miles (96 kilometers) north of London, the Defense Ministry said Thursday.

The fire at the base near the town of Huntingdon in Cambridgeshire started late Wednesday and burned for several hours, leaving much of the extensive three-story headquarters building a smoldering ruin. The ministry said that the fire would not affect immediate combat capability.

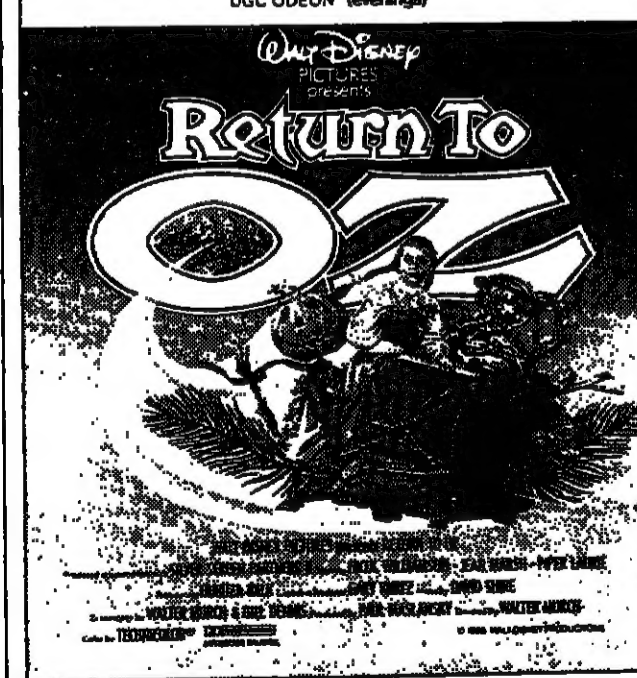
Israeli Teachers Go on Strike

The Associated Press

TEL AVIV — About 300,000 Israeli high school students stayed home Thursday when 16,000 teachers went on strike in a pay dispute.

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WORLD BRIEFS

U.S. Denies Article on Notifying Soviet

WASHINGTON (WP) — The Reagan administration has denied "utterly without foundation" a report in The Washington Post that the United States is preparing to negotiate with the Soviet Union any proposed deployment of new strategic defensive weapons and would give Moscow five to seven years' notice before unilaterally deploying them.

The White House spokesman, Larry Speakes, said the report in Wednesday's Post was "made up out of thin air." A State Department spokesman, "was obviously misunderstanding," a State Department spokesman, Charles Redman, said that if the information had been "thoroughly checked, it would have been shown to be utterly without foundation." [The report was published Thursday in the International Herald Tribune.]

French Seize Protest Boat, Test Device

PARIS (Reuters) — France said Thursday that it had carried out a successful nuclear test at Mururoa Atoll in the South Pacific. Several hours before the explosion, French commandos seized a Greenpeace yacht, the Vega, as it sailed toward the atoll in an attempt to disrupt the test.

Admiral René Hughes, commander of the French Pacific fleet, said the yacht had crossed a 12-mile (19-kilometer) territorial limit around the test site. In London, a Greenpeace spokesman said the Vega, which had four anti-nuclear protesters aboard, was six miles outside the limit.

Prime Minister Laurent Fabius and Defense Minister Paul Quilès witnessed the nuclear test. The device was detonated inside a dormant volcano hundreds of yards below the surface of the atoll. The strength of the blast was not immediately known.

New York Gets Anti-AIDS Proposal

ALBANY, New York (UPI) — Governor Mario M. Cuomo of New York on Thursday proposed outlawing sexual activities that lead to the spread of AIDS in gay bathhouses and other such establishments. He also began a program to educate the public about AIDS, or acquired immune deficiency syndrome. "We know that certain sexual behavior can be fatal," Mr. Cuomo said. "We must eliminate public establishments which profit from activities that foster this deadly disease." The proposed regulation would affect heterosexual as well as homosexual establishments. Offenders would be subject to a fine of \$1,000 or imprisonment.

Iranian Cabinet List Wins Approval

TEHRAN (Reuters) — Prime Minister Mir Hussein Mousavi has won President Ali Khamenei's approval to appoint two radical ministers to the key portfolios of oil and the interior, the Iranian press agency reported Thursday.

It said Mr. Mousavi notified the speaker of parliament, Hashemi Rafsanjani, that each of the 24 names, including seven new candidates, in his proposed cabinet now awaited the approval of parliament, which has in the past been reluctant to support Mr. Mousavi's pro-business sector policies.

The newspaper Kayhan International noted that the list "does not differ much from the one Premier Mousavi proposed to the president at the beginning of this week." Diplomatic sources said the list showed that Mr. Mousavi was winning a struggle within the Moslem clergy-dominated government to determine whether the Islamic republic should be run by state or private enterprise.



Mir Hussein Mousavi

Kasparov Signals 19th-Game Victory

MOSCOW (Reuters) — Garry Kasparov made a dramatic gas Thursday as the 19th game of the world chess title rematch was journaled, revealing his sealed 42d move and thus indicating that he was the verge of victory in the game.

A win for Mr. Kasparov, the challenger, would give him a two-point lead, 10½ to 8½, with five games to go. The cocksure gesture brought full house of more than 1,000 spectators to their feet. No one Tchaikovsky Hall could recall a similar incident happening at a championship level.

By playing the sealed move, Mr. Kasparov effectively indicated to Anatoli Karpov, the champion, that Mr. Karpov could only resign in his position. The game is to resume Friday. Mr. Karpov appeared to face heavy loss of material.

U.S. Panel Rejects Chemical Weapons

WASHINGTON (AP) — The House Appropriations Committee voted Thursday to reject President Ronald Reagan's request for money to build new U.S. chemical weapons, but refused to cut deeply into its research for a space-based defense against Soviet nuclear missiles.

The votes came as the committee worked its way through \$5 billion in appropriations for the Defense Department for the current fiscal year. The bill, approved and sent to the House floor on a voice vote contains most of the proposed \$252-billion Pentagon budget.

Representative John E. Porter, Republican of Illinois, won approval 26-24, for his motion to kill the request for \$163.5 million to build new gas artillery shells and bombs for the first time since the U.S. program was suspended in 1969. The vote came in a closed session that Mr. Porter requested to present new, classified information in support of his argument that no new U.S. weapons were needed to offset the Soviet chemical arsenal.

Correction

Because of an error by The Associated Press, K. Natwar Singh, an Indian minister of state, was incorrectly identified as Indonesia's foreign minister in a photograph that appeared in Thursday editions.

Lebanese Militias Search For 3 Soviet Diplomats

By Ihsan A. Hijazi
New York Times Service

BEIRUT — Pro-Syrian militiamen conducted a house-to-house search in Moslem West Beirut and the southern suburbs Thursday looking for three Soviet Embassy officials who were kidnapped Sept. 30. A similar search was mounted in the southern port of Sidon.

Police said units of the Shiite Amal movement and the mostly Druze Progressive Socialist Party were involved in the Beirut search.

About 70 persons were reported to have been rounded up for questioning, but the search has produced "no apparent clues as to where the Russians were being held or information leading to the identity of their abductors."

Four Russians were abducted at gunpoint in West Beirut on Sept. 30. The body of Arkadi Katkov, a Soviet consular secretary, was found two days later. The other three missing embassy employees were identified as Oleg Spirin, a press attaché; Valery Mirkov, a commercial attaché; and Nikolai Svitsky, the embassy doctor.

A faction calling itself the Islamic Liberation Organization claimed responsibility for the kidnappings and for killing Mr. Katkov.

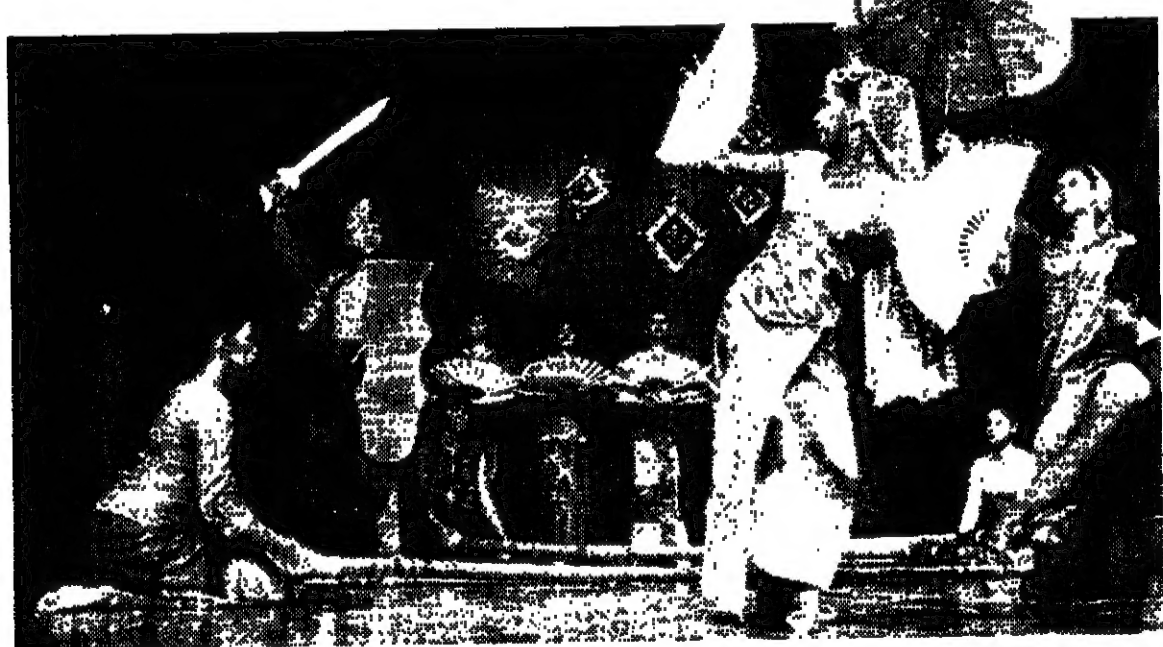
There was speculation that the three Russians may have been smuggled out of Lebanon from Sidon by sea. A Lebanese police officer who asked for anonymity said it is believed the Soviet personnel were being held at the Palestinian camp of Chatila in southern Beirut. Palestinian factions have denied involvement in the affair.

In another development Thursday, the most powerful Christian militia, the Lebanese Forces, shut the East Beirut newspaper al-Ahram.

A statement issued by the militia said the daily paper, the organ of Lebanon's principal Christian group, the Phalangist Party of President Amin Gemayel, had printed seditious articles designed to sow discord in Christian ranks.

Radio stations said militiamen raided al-Ahram offices in Christian East Beirut and took away the editor, Joseph Abu Khalil.

In a commentary Wednesday, al-Ahram said that Syria was trying to use the Christian militia to influence Mr. Gemayel into making concessions at the expense of Christian rights.



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PR 105 (20)

مكتبة المجلد



Halley's Comet, through a telescope at Whipple Observatory in Arizona on Sept. 15.

By Telescope, Halley's Comet Beckons

By Thomas O'Toole

MOUNT PALOMAR, California — Through the eye of one of the world's most powerful telescopes, the 60-inch (152-centimeter) behemoth at the Mount Palomar Observatory, Halley's Comet stood out like a giant ghostly beacon as it sped toward Earth outside the orbit of Mars, 124 million miles away.

It dominated its portion of the sky in the viewing early Wednesday, dwarfing every star behind it as it raced toward the environs of Earth for the 30th time in recorded history.

"It's extraordinarily bright, much brighter than we expected it would be at this distance," said James Gibson, an astronomer at the Jet Propulsion Laboratory in Pasadena, California. "As it now stands, that comet's gas and dust cloud measures 90,000 miles across, or 146,208 kilometers. That means it's grown seven times since I last observed it three months ago."

Mr. Gibson paused, then said, "In a way, I don't believe it. But I guess I have to believe it."

Halley's Comet's appearance in the skies of Earth this time may not be the best it has ever made, but it will not be the worst, either.

The comet is expected to first become visible

from Earth in December. In northern latitudes, the best viewing month will be next March. The comet will reach its maximum brightness in early April, but by then it will be visible only from the Southern Hemisphere and the extreme southern parts of the Northern Hemisphere.

"We're predicting the tail will grow about 10 to 15 degrees across the sky," Mr. Gibson said. "That's less than half the length of the tail when the comet last appeared in 1910, but you have to remember that in 1910 the comet was so close that the head could be seen in the evening sky at the same time the tail was visible in the morning sky."

Donald K. Yeomans of the Jet Propulsion Laboratory said that astronomers using radio telescopes have measured the equivalent of a ton of water being boiled off the comet every second that it comes closer to Earth. While this may seem as if Halley's Comet is burning itself out, its estimated lifetime is another 200,000 years.

"The rocky core of Halley now appears to be three kilometers across, the size of Manhattan Island," Mr. Yeomans said. "If you calculate that it loses roughly one meter of surface each time it circles the sun every 76 years, then theoretically it could make another 260 appearances before it burns itself out."

Critic Says Aged Planes Hurt Drug Fight in U.S.

The Associated Press

WASHINGTON — The U.S. Customs Service's air fleet, intended to fight airborne drug smugglers, is suffering from problems, a congressional critic says.

The service's 70-plane fleet includes only 15 sophisticated aircraft, said Representative Glenn English, Democrat of Oklahoma. Ten other planes are of limited use, and the remainder of the air force is "the junk," said Mr. English, a principal backer of increasing the force. "Many can't even fly."

He said the force's three two-man Cobra helicopters are useful only "if you're willing to risk the life of the arresting officer." He said a demonstration of the Cobras showed it would take too long for the crew to exit with smugglers' guns trained on them.

Largely at the initiative of Congress, the service's air division continues to expand, with a budget last fiscal year of \$55.4 million. Eight aircraft that can track smugglers from long distances are under construction, and two flying detection platforms are being modified.

The Customs Service is forming air units with planes to detect, intercept and track air smugglers, and then swoop down after them in helicopters when they land.

William Rosenblatt, the Customs Service's assistant commissioner for enforcement, said that the service has airplanes and radar stretching "from the East Coast to the West Coast." While the agency's resources address "the various threats," he said, "I'm not going to tell you it's sufficient, no way."

Mr. Rosenblatt would not discuss specifics about Customs' air division, however.

Customs officials told congressional staff members Sept. 5 that long-range radar to intercept smugglers' aircraft will not fit in Beech C-12s, a mainstay of the air fleet.

A Customs Service five-year plan acknowledges that there are radar gaps in the Gulf Coast where smugglers can avoid detection and that problems are even more evident over the western half of the southern border, because of "the present thinness" of radar, airplanes and crews.

The service's parent agency, the Treasury Department, has given contradictory public testimony about the usefulness of P-3 four-engine turboprops, the state-of-the-art flying detection platforms modified for the drug war.

High Tech Intruding on U.S. Privacy Laws

By Juan Williams

WASHINGTON — Privacy laws have failed to keep pace with computer and telephone technology, leaving American industries unprotected from unauthorized surveillance by competitors and citizens unprotected from unauthorized investigations, according to a report Thursday by the congressional Office of Technology Assessment.

The report also said that of 142 federal agencies responding to a survey, excluding foreign intelligence or counterintelligence agencies, 35 either use or plan to use electronic surveillance. Court-approved wiretaps and other electronic surveillance were at a record high last year, it said.

The agency said 36 of the agencies already use a total of 85 computerized record systems for investigative or intelligence purposes, and maintain 288 million files on 114 million people.

The report said it is "technically feasible" for these files to be linked into a single network that could track untold numbers of citizens without good reason.

The study said Americans are

without any legal protection against unauthorized tapping of phone calls made on cellular or cordless phones, as well as data transfers between computers and digital transmission of video and graphic images.

The government, it said, could be a victim of the current gaps in the privacy laws. The study showed that about 25 percent of federal agencies said they used or planned to use potentially vulnerable computer systems for law enforcement, investigations and intelligence.

The report, titled "Electronic Surveillance and Civil Liberties," is to be given to Representative Robert W. Kastenmeier, Democrat of Wisconsin and chairman of the House Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice.

"In the last 20 years," the report said, "there has been a virtual revolution in the technology relevant to electronic surveillance. Advances in electronics, semiconductors, computers, imaging, data bases and related technologies have greatly increased the technical options for surveillance activities."

"The existing statutory framework and judicial interpretation thereof do not adequately cover

new electronic surveillance applications," it continued. "The Fourth Amendment — which protects 'the right of the people to be secure in their persons, houses, papers and effects against unreasonable searches and seizures' — was written at a time when people conducted their affairs in a simple, direct and personalized fashion."

"Telephones, credit cards, computers and cameras did not exist," the report said. "Although the application of the Fourth Amendment is timeless its application has not kept abreast of current technologies."

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Individual Donors Declining In U.S. Politics, Study Says

Washington Post Service

WASHINGTON — For the first time, incumbent House Democrats in the United States received more campaign money last year from political action committees than from individual donors, according to a study by the Democratic Study Group.

The dependence of House Democratic incumbents on contributions from political action committees, or PACs, was significantly higher than it was for incumbent Republicans.

In addition, the study showed that the small contributor, the donor of less than \$100, was steadily disappearing.

Donations of under \$100 accounted for 46 percent of total House contributions in 1974 but 19 percent in 1984, while falling from 38 to 23 percent for Senate candidates over the same period. Even when inflation is taken into account, small contributions have declined by 17 percent from 1980 to 1984.

According to the study, House Democratic incumbents in 1984 received an average of \$151,202 from PACs and \$144,868 from individuals. Republican incumbents received an average of \$128,474 from PACs, and \$174,402 from individuals.

"PACs are displacing individuals as the primary source of campaign funds," the study concluded. It said the decline of small contributors "cannot help but have a profound influence on Congress — especially when grass roots-based funding is replaced by funds from interests outside of the member's district."

The Democratic Study Group, a liberal reform organization, called for legislation granting a 100-percent tax credit for political contributions up to a total of \$100 a year.

The Democratic-controlled House Ways and Means Committee, however, moved last week in the opposite direction. It voted to kill the current 50-percent tax credit on political contributions, up to an annual credit ceiling of \$50.

Consul Killed in Guatemala

The Associated Press

GUATEMALA CITY — Norman Linds, Norway's honorary consul in Guatemala, and three other persons were killed Wednesday when their private airplane exploded after touching off a mine as the plane landed at a coffee plantation 80 miles (130 kilometers) southwest of Guatemala.

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Philip Will, Chicago Architect, Dies

The Associated Press

CHICAGO — Philip Will Jr., 79, co-founder of one of the nation's top architectural firms and a major influence on the design of many Chicago buildings, died Tuesday in Venice, Florida.

Mr. Will's death was announced by his company, Perkins & Will.

Under his tutelage, Perkins & Will won 26 national awards, including the 25-year award of the

American Institute of Architects for a design of enduring significance. Mr. Will served as national president of the institute for two terms.

He left behind his personal residence in the Chicago suburb of Evanston as one of his most prized designs, said Lawrence Perkins, co-founder of Perkins & Will.

Other deaths: Boris Lassanewitch, 80, a Russian

emigrant who was a ballet dancer, big game hunter, distiller and hotelier, in Katmandu, Nepal, where he lived for half a century and earned the nickname Boris of Katmandu.

Rafel León Torres, president of the National Bank of Cuba for the past 12 years and a member of Cuba's Communist Party Central Committee, Thursday in Havana of a heart attack. He was in his early 50s.

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Violence Erupts in Cape Town; Special Rules Lifted in 6 Areas

By Allister Sparks

Washington Post Service

JOHANNESBURG Racial violence erupted Thursday in the center of a major South African city for the second time in a week when police clashed with demonstrators in central Cape Town.

Separately, President Pieter W. Botha announced a lifting of emergency regulations in six of the 36 towns and cities where they were imposed three months ago, claiming the stringent measures had been effective in restoring order.

Another two blacks were killed in clashes with the police in the Crossroads squatter camp outside Cape Town, bringing the death toll in that region over the past two months to 63 and the total killed in South Africa since racial violence began in September last year to nearly 800.

Young blacks hurled rocks and gasoline bombs at automobiles driving along a major highway to Cape Town airport for the third consecutive day, and police advised motorists in that city to wear crash helmets.

No one was seriously injured in the violence in Cape Town, when police used a water cannon and whips to disperse a large crowd of black and mixed-race demonstrators who gathered in the city's main thoroughfare, Adderley Street.

Whites and blacks scattered as police in riot helmets lashed at them with whips, knocking some down, and a water cannon fired

purple dye at the crowd, staining buildings and splashing into some stores.

While police sealed off central city streets to traffic, an officer with a bullhorn ordered shop assistants to return to their shops and other people to leave the downtown area.

"All people who don't work here, move," he ordered, adding: "This is valid for whites as well."

The violence in central Cape Town followed rioting Friday in central Johannesburg, when blacks rampaged through six city blocks attacking whites and smashing shop windows after a memorial service for a supporter of the black underground who was hanged for shooting a policeman.

According to press agency reports, Thursday's police action began when a busload of black women arrived in Adderley Street to hold a demonstration demanding the withdrawal of troops from the segregated black and mixed-race townships outside Cape Town, where there have been bloody clashes between local inhabitants and the security forces over the past two months.

A second crowd of blacks gathered at the same time outside a nearby courthouse, where three mixed-race men were appearing on a charge of murdering a policeman during a black funeral rally in the townships in March.

Showing a hesitancy in the face of the large number of whites min-

gling in the crowd that contrasted with the precipitate action police have taken in the ghetto townships, officers pleaded with the crowd to disperse.

"You are going to give me laryngitis, my throat won't take it, please people, disperse, otherwise we will have to take action," an officer said at one point.

The six towns where the emergency regulations have been lifted, four in the Eastern Cape and two in Transvaal, are all on the periphery of the main areas of unrest.

The assessment of observers was that the level of racial violence in the country has increased since the partial state of emergency was declared July 20.

The violence has tended to shift to new areas, such as Cape Town, Natal and the north-eastern Cape, while continuing to simmer in most of the areas where it originally erupted.

Overall, the daily casualty rate has more than doubled and the level of black anger appears to have intensified.

The police in Cape Town and adjoining townships arrested 14 news reporters, including four foreign television cameramen, and four others claimed they were assaulted by police, according to news agency reports.

The foreign TV crewmembers were held in a police truck, then taken to a police station for questioning. They were later released without charges.



Sam Nunn

Allies Balk At U.S. Offer

(Continued from Page 1)

tion stocks, logistical support and other measures of conventional military strength.

The official said some nations, notably West Germany, had already shown willingness to fund improvements in this area. But the commitment of several smaller NATO allies was not as certain.

The second area of improvement concerns the response to a special \$250-million fund approved by Congress this year to support cooperation of the United States and European allies in developing new armament systems.

Mr. Nunn, encouraged by the NATO commitments to improve defenses, had sponsored a bill providing \$200 million for the fund. He promoted the legislation as a "carrot" approach to the problem instead of reintroducing his 1984 bill.

The U.S. official said the European reaction to the special fund has been characterized by suspicion of U.S. intentions and hesitation about designating matching money. The matching funds are not required by the legislation, but Mr. Nunn expects the allies to make significant financial contributions.

The United States may have specific cooperative programs to propose Nov. 15, when NATO deputy defense ministers hold a special meeting in Brussels, the official said.

The United States sees greater cooperation on arms among the allies as important because of the increasing cost of developing new weapons systems. The duplication of effort by the allies is one reason why the alliance cannot match the Warsaw Pact in the output of conventional arms, U.S. officials say.

Soviet Missile Proposal Has Merit, Nitze Says

By Bernard Gwertzman

New York Times Service

WASHINGTON—The Reagan administration's senior arms control adviser has expressed interest in a Soviet proposal for an interim agreement on medium-range missiles that would freeze the number of U.S. and Soviet missiles in Europe and Asia.

Paul H. Nitze, who advises President Ronald Reagan and Secretary of State George F. Shultz, repeated the overall U.S. criticism of the proposals outlined by Mikhail S. Gorbachev, the Soviet leader, in Paris this month and later amplified at the Geneva negotiations.

But Mr. Nitze noted Wednesday that the Soviet Union had offered to separate the talks on medium-range weapons from the two other parts of the Geneva negotiations, on strategic, or long-range, weapons, and on space-based defenses.

The United States has long sought to separate the issues because Moscow was linking progress in the strategic and medium-range talks to an end of the American space-based program.

Mr. Gorbachev's initial proposals, which included a 50-percent cut in strategic delivery systems, raised questions among U.S. officials when he proposed a freeze on medium-range SS-20 missiles in Europe at 243. It was uncertain to them at the time what the Soviet side intended to do about the 200 SS-20 missiles in Asia.

Mr. Nitze said that the Soviet plan for an interim freeze called for a freeze on SS-20s in Asia as well. Other American officials said this became clear in the Geneva talks recently.

In the U.S. view, the Soviet Union, by proposing an interim freeze on medium-range missiles, seemed, in effect, to acknowledge that the United States could retain the Pershing-2 and cruise missiles installed in Western Europe since late 1983. Previously, Soviet proposals insisted on a dismantling of the new American missiles.

Mr. Nitze said the Soviet proposal on medium-range missiles was nevertheless unacceptable because the Russians would still have a significant advantage in numbers.

Moreover, he said, the Soviet Union still wanted the U.S. force reduced after the interim freeze and wanted the Soviet force to be balanced by the number of British and French missiles, something unacceptable to NATO.

Mr. Nitze said that the Soviet proposals contained "an infinite number of hooks" but that they also contained useful ideas.

He said Mr. Reagan and Mr. Gorbachev could not possibly settle "the immensely complex and varied issues" in arms control when they meet in Geneva on Nov. 19 and 20.

Arms talks between the United States and the Soviet Union broke down in 1983 when the Soviet side walked out when the first of 572 planned American missiles were deployed in Europe to counter the SS-20s.

Thatcher, Reagan Meet

Prime Minister Margaret Thatcher of Britain, warning that Mr. Gorbachev was winning the propaganda battle in advance of next month's Geneva meeting, urged Mr. Reagan on Wednesday to seize the initiative by stressing his commitment to arms reduction, the Los Angeles Times reported from New York.

Mr. Thatcher and Mr. Reagan, in New York for the 40th anniversary of the United Nations, discussed issues of the summit meeting during a half-hour session.

Dutch Approve Accord

The Dutch parliament approved Thursday a draft accord with Washington on deploying cruise missiles in the Netherlands, Reuters reported from the Hague.

Approval of the outline, which covers arrangements for siting and control of the missiles, is a further step toward the government's final decision next month on whether to accept the weapons.



President Duarte hugs his daughter, Inés, and her friend, Ana Cecilia Villeda, after their release on Thursday.

Duarte's Daughter Released In Prisoner Swap With Rebels

(Continued from Page 1)

the country and others would remain in El Salvador.

The government also was assisting in the evacuation of 96 wounded guerrillas to other countries for medical treatment. The wounded rebels presumably had been in guerrilla hospitals.

The wounded prisoners were to be turned over to the Red Cross in Jucuaran, 70 miles southeast of the capital, for transfer to other countries. A Panamanian Air Force plane was waiting at the capital's airport.

Mr. Rey Prendes said Wednesday that details of the exchange were worked out in three days of long meetings between representatives of the government and the Farabundo Martí National Liberation Front, the main rebel military organization, in Panama.

The agreement, reached Tuesday, would end more than six weeks of tension that started when Mrs. Duarte Durán and her friend were abducted as they arrived for classes at a private college in San Salvador on Sept. 10. One bodyguard was killed and one was wounded in the abduction.

The abduction and subsequent negotiations had preoccupied officials of Mr. Duarte's government, which, in addition to the six-year war with leftist insurgents, faces deep economic and social problems.

The original guerrilla demands were for two prisoners and an explanation of what had happened to a number of others presumed captured. The demands grew to nine prisoners, and eventually to 34. The government had released three of the 34 previously. The 22 it agreed to release left nine the government said it could not account for.

Mr. Duarte won the approval of the country's powerful military establishment to negotiate the prisoner exchange. But the deal nevertheless generated strong criticism of the president from the political right.

Advertisements paid for this week by the Nationalist Republican Alliance, coffee growers and other groups asked how the government could explain the exchange to soldiers in the field who would have to fight against the released guerrillas.

India, Pakistan to Confer on Nuclear Projects

(Continued from Page 1)

negotiations to reassure each other about the peaceful nature of their nuclear program, said. "We haven't discussed how they are going to progress."

Niaz Naik, Pakistan's secretary of foreign affairs, said that it had been "agreed to initiate the process of technical discussions between India and Pakistan on the question of nuclear nonproliferation."

He added, "We are leaving it up to the technical people to decide what is the best modality to reassure each other that both sides are pursuing peaceful programs."

Nuclear development remains the main source of tension between the two countries. Both deny that they have programs to make nuclear arms, but India has recently

stepped up allegations that Pakistan is developing a weapon.

An Indian general recently asserted that Pakistan was preparing to conduct a nuclear test on the Chinese border. And Mr. Gandhi and other top Indian officials have said that Pakistan has the ability to produce as many as five bombs and is being helped by other powers.

"We talked about the problem of their nuclear program, and he said they are not doing it," Mr. Gandhi said after his meeting with General Zia on Wednesday, "but we are not fully convinced."

But, in a conciliatory tone, he added, "Somehow, we have to work together to see how to solve the problem."

General Zia has repeatedly denied India's charge. In his speech Wednesday before the General Assembly, he said: "Pakistan is prepared to enter into any agreement or arrangement with India on the basis of sovereignty and reciprocity

to keep our area free of nuclear weapons."

"We would welcome any ideas, participate in any consultations, attend any conference in order to achieve this objective."

French Police Arrest Suspected Terrorist

Reuters

PARIS—A suspected member of a leftist French guerrilla group sought in connection with a bank robbery has been caught, police sources said Thursday.

They said Meyer Azerouhald, 26, thought by police to be one of the founders of the group Direct Action, was arrested Sunday. He was sentenced to life imprisonment in absentia last year for his involvement in a Paris bank attack in 1980 in which a man died and another was seriously injured.

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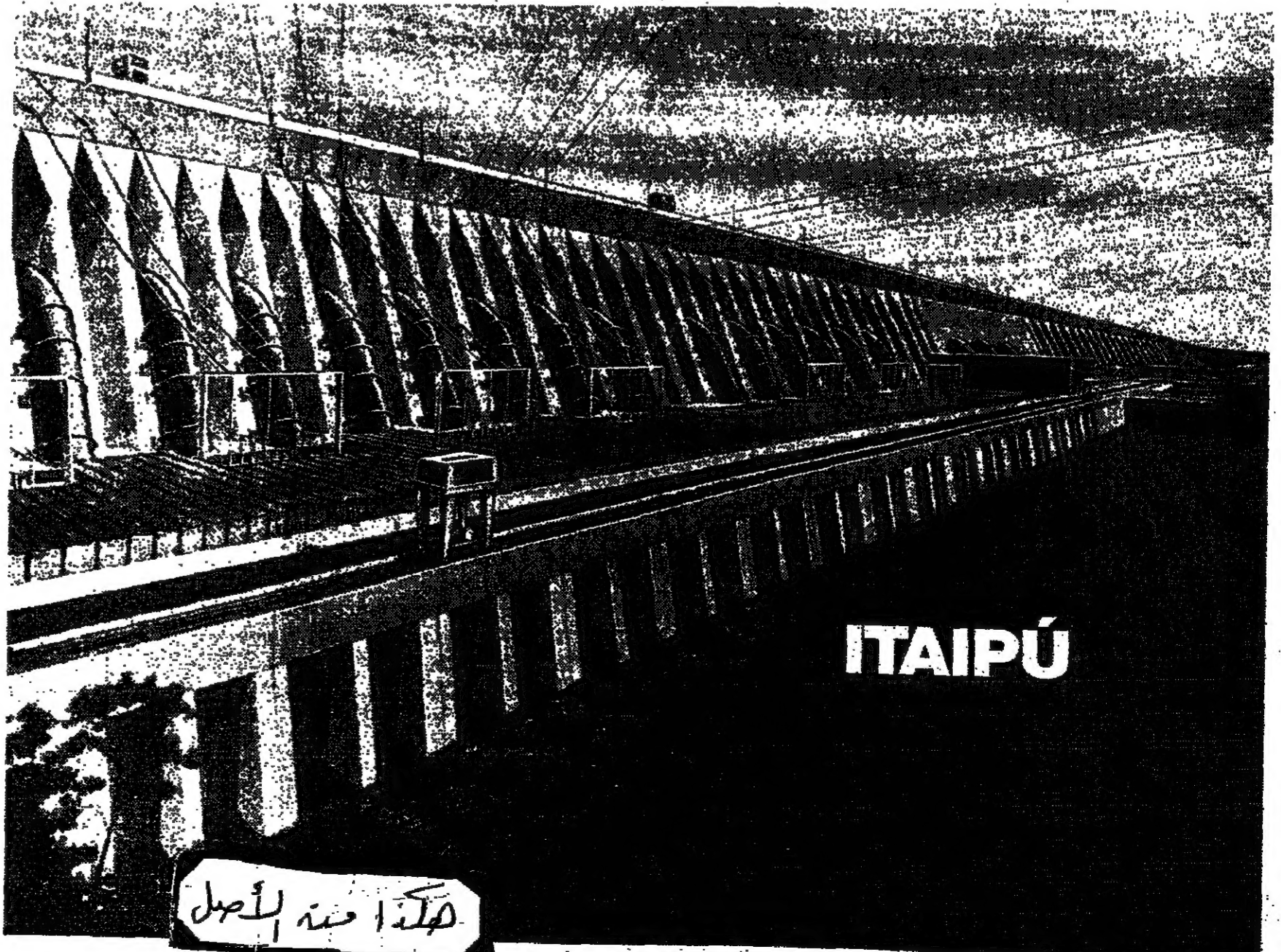
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A First: Oscars for Ready-to-Wear Designs

By Hebe Dorsey
International Herald Tribune

PARIS — The Paris collections ended Thursday with the awarding of the first Oscars to French ready-to-wear designers. The ceremony was held in the grandiose l'Opéra de Paris, ordered built by Napoleon III and opened in 1875. The show, attended by about

PARIS FASHION

1,200 people, was televised in France, Japan and the United States to an audience estimated at 250 million, which gives some idea how much fashion has evolved into a saga of megatalents, megabucks and mega-intrigues.

Everything was red in this opulent setting, from the grand stairway and balconies, draped with red flowers, to the dinner tables covered with red tablecloths. The orchestra was buried inside a square, red-draped podium. At the announcement of the Oscars, a red curtain was lifted and 200 models, dressed in shades of red by the designers attending, stood on a huge colonnaded stairway — the Opéra's set for "Iphigénie en Tauride."

As Gene Pressman, president of Barneys, New York, put it: "I'd rather be watching the Super Bowl, but this is very impressive."

Pier-Luigi Pizzi, the Italian opera director, who coordinated the show with the French television crew, had the felicitous idea of filming the arrival of the designers on the Opéra grand stairway and following them into the orchestra. Most of them arrived with glamorous escorts: Alaïa with Cher, Yves Saint Laurent with Catherine Deneuve, Emanuel Ungaro with Anouk Aimée and Valentino with Fanny Ardant.

The evening had a distinctly institutional edge, thanks to Jack Lang, France's culture minister, whose idea it was, and who has given his support to promoting French fashion. He was there, as well as Danielle Mitterrand, the president's wife, and Edith Cresson, the minister of industry and foreign trade. Frédéric Mitterrand, a nephew of the president who knows a lot about movies but not much about fashion, was the emcee for the event.

While all the designers sat side by side in two orchestra rows, Saint Laurent's business partner, Pierre Vergé, who has been known to pull a lot of fashion strings, sat on the right of Mrs. Mitterrand.

Nine Oscars were presented, six of them awarded by a jury selected by Jacques Moudier, head of the French Chambre Syndicale. The other three were voted on by 200 fashion journalists, under the supervision of IFOP, a French polling organization.

The hero of the evening was Azzedine Alaïa, the diminutive



Azzedine Alaïa, the Tunisian-born designer, at awards ceremony for Paris fashion designers Thursday with Inan, the fashion model, and Grace Jones, the actress and singer.

The hero of the evening was Azzedine Alaïa, the diminutive Tunisian designer, who won two Oscars and who is responsible for re-emphasizing the body, bringing back shape to fashion.

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The Oscars voted by the jury went to five countries. The awards voted by the journalists were presented to 12 ready-to-wear designers.

The jury awarded two Oscars jointly to Alaïa and Sonia Rykiel. While the naming of the first winner was greeted with deafening applause, the second named winner had people wondering — Rykiel being known as a designer of nice knits. The idea, apparently, was to have a woman designer on the podium. Alaïa won the second Oscar as the journalists' choice for designer of the year.

Other winners were Pierre Cardin, Issey Miyake, Saint Laurent

and Claude Montana. Montana's award was for the best collection this season.

John B. Fairchild, chairman of Women's Wear Daily and a man who has packed a lot of excitement into fashion, received the Oscar from Faloma Picasso for "spreading French fashion in the world." Hélène Lazareff, who founded the magazine Elle and helped establish a French fashion image in the world, was also a winner.

There were special tributes to Chanel, Balenciaga and Madame Grès, who presided the event and got the biggest ovation.

As a gesture to the house of Dior, which was not on either of the two lists of nominations, the organizers brought onstage Marc Bohan, Dior's couture designer, along with 200 seamstresses dressed in white. André Heppner, who attended

the ceremony with Hubert de Givenchy, her favorite couturier, also received a special mention.

Some people felt that Karl Lagerfeld should have been given special attention, both in connection with the house of Chanel and because he invented deconstructed ready-to-wear at Chloé.

Valentino, also missing from the list of winners, was a good sport: he stayed to the end and was host of a table for his whole crew, which included the mother of his partner, Giancarlo Giammetti.

It was a highly charged evening and a feat of sorts to capture so many designers in one place. As short films of each designer were shown, along with their designs, it was also as if a page of French fashion was being turned, heralding the beginning of the new and the end of the old.

All Phone Numbers To Change In France

International Herald Tribune

PARIS — The entire telephone dialing system of France will change Friday at 11 P.M.

At that hour, the country will be divided into two phoning areas: the Paris region — Paris and its suburbs, including Versailles and Fontainebleau — and the rest of France.

All numbers in France will have eight digits, instead of the six or seven digits used until now. Outside the Paris region, where six digits have been customary, area codes used previously will become part of subscribers' telephone numbers.

The switch, according to officials of the state-owned Post and Telecommunications, or PTT, will not mean any interruption to service, even to calls in progress.

But it will double the capacity of the telephone network, now near saturation in Paris and other areas, making 50 million numbers available to meet demand well past the year 2000. It will also help in development of new services such as radio telephones, telecopiers and toll free numbers, according to PTT.

For Paris itself, all local numbers will remain unchanged except that they will start with a 4.

At the International Herald Tribune, for example, the phone number 747-1265 will become 4747-1265.

Elsewhere in the Paris region, the prefix 3 will be added to numbers in the Val d'Oise and Yvelines departments, including Versailles and St. Germain-en-Laye, and the prefix 6 will be added for the Essonne and the Seine-et-Marne, including Evry and Fontainebleau.

Calling from abroad will change only for the Paris region. Before the change, a caller to a number in Paris would have dialed from abroad: 33 (country code for France), then 1 (city code for Paris), then the seven-digit local number.

After 11 P.M. Friday, a caller from abroad must dial 33, then 1, then the new eight-digit number beginning with the prefix 4. Similarly, to call someone in Versailles, a caller will dial 33, then 1, then the prefix 3 before the previous local number.

Beginning Friday night, callers from the Paris region to the rest of the country will dial 16, the inter-France code for the provinces, then the new eight-digit number that begins with the old area code.

Those calling the Paris region from elsewhere in France must dial 16, then 1, then the new eight-digit number.

Brazil's Children of the Streets

Crime by Minors Has Surged as Millions Fight for Survival

By Alan Riding
New York Times Service

RIO DE JANEIRO — Small, barefoot and about 12 years old, the boy reached through a car window and snatched a woman's necklace. Her scream alerted four passing men, who grabbed the youth and began beating his face and ribs. Eventually, a police car arrived and officers took away the badly bruised child.

The incident itself was not unusual. Street crime committed by minors, often carrying guns, has surged here in recent years. With it has come rising public pressure on the police to get tough. Angry crowds have occasionally caught young muggers and lynched them. Yet the 10-minute scene acted out one Sunday morning in the elegant Ipanema neighborhood reflected a larger drama — that of millions of abandoned and needy Brazilian children who are growing up as illiterate, alienated and unemployable outcasts.

Forced onto the streets in order to survive, they are to be seen in any city at any time begging or shining shoes or selling chewing gum at traffic lights or bus terminals.

Statistics show that relatively few of these street children become involved in crime. But this is not the perception of the alarmed middle classes. Because many people tend to view the poor youths as potential assassins rather than victims, Brazil has been slow to address the problem of mass child poverty.

According to government figures, 36 million Brazilians under the age of 18, or about 60 percent of the total, are "needy," and seven million of these have lost all or most links with their families and have been "abandoned or marginalized."

One-third of all children between 7 and 14 — about eight million — do not attend school, and more than half the children under 6 years old are undernourished.

Now, in the more open climate brought by the recent return of civilian government to Brazil after 21 years of military rule, concerned officials, sociologists and church workers express hope that greater attention can be given to the issue.

"My first job is to denounce this situation as loudly as possible," said Nelson Aguiar, the new head of Funabem, the Foundation for the Welfare of Minors as known.

This is a political problem. A country that has the world's eighth largest capitalist economy cannot say it lacks the resources to rescue its dearest patrimony from misery.

The problem of abandoned and destitute children is common throughout Latin America. But

many sociologists say social and family disintegration are most serious in Brazil. They attribute this to a legacy of slavery, which was abolished in 1888, and a function of large-scale peasant migration from the impoverished northeast to urban slums in the south.

Mr. Aguiar said: "We work with the consequences of the failure of land, agricultural, educational, labor and health policies. We are just the visible tip of a failed social system."

Funabem, which was set up by the military regime in 1964, has 427,000 minors living in its institutions. About 150,000 have been placed under its protection by family courts, although only 14,000 of these have committed crimes.

"For lack of financial, technical and human resources," Mr. Aguiar said, "we are attending to less than 6 percent of those whom we have an institutional obligation to help."

In most of Brazil, the organization works through state welfare offices, but in Rio de Janeiro, Funabem is directly in charge of "protection homes" and reform schools for almost 4,000 minors. Its main "campus" for abandoned children, in the suburb of Quintino, illustrates the problems faced around the country.

Thalia Vieira Lima, who runs one house at Quintino that has 22 deaf mutes among its 251 students, said: "We have a large percentage of children with mental or physical problems. We try to reintegrate them into their families, but so many are from broken families, and few mothers can cope."

Those who "graduate" from Funabem carry the stigma of having been in the institution and then face the problem of finding work.

Instead of building more institutions for destitute children, Funabem's new team has decided to decentralize, specifically by trying to persuade local groups to assume responsibility for their own children.

More complex is the problem of juvenile delinquents, who in many cases are handled roughly by the police and then sent to overcrowded detention centers where hardened teen-age criminals, including murderers, mix freely with minor offenders.

Gilberto Dantas, who is in charge of the Police Precinct for the

West German Fighter Crashes

Reuters

LONDON — A West German Tornado jet fighter crashed Thursday in northern England, killing two crew members, the British Defense Ministry said. The aircraft crashed in a remote area of Northumberland while on a military exercise, a spokesman added.

Protection of Minors in a crumbling building in central Rio de Janeiro, said that 70 percent of those arrested were repeat offenders.

"But many of the kids just need a job," he said. "This is not a problem that can be handled by the police."

Mr. Aguiar believes that unless Brazil changes its treatment of needy children, the problem of juvenile crime will inevitably grow.

"The child has a legitimate right to defend himself against a hostile society," he said. "At first, the hungry child holds out his hand in innocence. After that, he begins to steal surreptitiously. Finally, he takes what he needs by force."

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and officially approved. On average, only one in every 10,000 substances investigated ever reaches the market. As a result, total R&D costs for a new product amount to more than DM 150 million. Today, 40 per cent of Bayer's overall turnover is accounted for by products which were developed over the past 15 years in the company's own research facilities. Bayer is engaged in research in many sectors of the chemical industry. Unceasing efforts are being made in search of new and better quality products to help improve the quality of life and health standards, as well as secure future food supplies. Every year, Bayer allocates DM 2 billion for research — an amount which is rather difficult to conceive, but it represents our investment in the future.

HIGHLIGHTS

1985 During the first six months, Bayer World turnover grew by 12.3 per cent to DM 24.6 billion. Profit before tax rose by 16.0 per cent to DM 1,725 million.

Bayer AG turnover increased by 8.9 per cent to DM 9.4 billion. Profit before tax rose by 25.8 per cent, reaching DM 830 million.

1984 Turnover Bayer World: DM 43.0 billion. Share of production abroad and exports: 79 per cent.

Turnover Bayer AG: DM 16.2 billion. Export share: 65.5 per cent.

Bayer World capital investment: DM 1.8 billion, of which DM 915 million in West Germany.

After-tax profits: Bayer World DM 1.2 billion; Bayer AG DM 660 million.

Dividend 1984: DM 9 per share of DM 50 nominal.

Total payout: DM 460 million on paid-up capital of DM 2.6 billion to some 350,000 shareholders.

For further information on Bayer, please contact Bayer AG, Public Relations Department, D-5080 Leverkusen, West Germany or Bayer U.K. Ltd., Public Relations Department, Strawberry Hill, Newbury/Berkshire RG13 1JA, Great Britain.

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

The UN: Three Times Yes

Do we need the United Nations? If it had not been around for 40 years, would the world now invent it? Can a case be made, without hubbub, for an organization that thrives on hubbub? The answer is three times yes.

The UN Charter, which came into effect 40 years ago Thursday, did not outlaw war or create a world government. It spoke instead of establishing "conditions under which justice and respect for obligations arising from treaties and other sources of international law can be maintained." The UN has improved conditions for ending or containing violent quarrels between its members. They may sometimes scorn its appeals and spurn the good offices of the secretary-general, as in the Iran-Iraq war. But the record is otherwise in most flash-fire conflicts. Belligerents willing to be rescued can find face-saving salvation in appeals by the Security Council for cease-fires.

That was the case in successive Arab-Israeli wars, and in clashes between India and Pakistan. Without a United Nations, Turkey's invasion of Cyprus would have ended in a war with Greece instead of a cold truce monitored by UN peacekeepers. When sword-wielders drawn, the United Nations can blunt the effects of conflict and slow the rush to calamity.

It did so most memorably in the 1962 Cuban missile crisis, providing the open forum at which Soviet and American diplomats argued, as well as backstage facilities for vital soundings. When the secretary-general called for a Moscow and Washington to avert a confrontation at sea, both found it expedient to comply.

The shot that was not fired echoed around the world as a gasp of relief.

Those who deplore the United Nations because it provides a stage for nations hostile to the United States miss the point. The organization's strength is its universality. It reflects the real world. If it did not exist, something like it would be devised to curb quarrels among interdependent states. Because everyone belongs, no one can afford to ignore it.

The benefits of belonging are uneven. Poorer nations gain more. They pay token dues, reap the most from UN development programs and can combine their votes to agitate for special causes. And yes, the Communist bloc also gains from the stature conferred by membership in the United Nations.

But U.S. interests are also served. How otherwise expose the failures of Marxist dogmas, or the designs of Soviet diplomacy? There is a useful lesson in what happened when Moscow angrily boycotted the Security Council in 1950. The council promptly bestowed the flag of the United Nations on the U.S.-led armies opposing Communist aggression in Korea.

The UN is often unfairly and inefficiently and its rostrum used by soundbore no less than sages. It is debased by hypocrisy, especially on human rights, and deadened by prolixity. It is a meager substitute for what its founders wanted and what it pretends to be — an assembly of nations truly striving for a fairer, safer world. Still, the United Nations remains as valid, and as necessary, as that aspiration.

— THE NEW YORK TIMES

Choices on the U.S. Deficit

President Reagan and the Congress have spent all year debating deficit reduction, and only now are they down to the specifics — the "reconciliation" and appropriations bills that will actually do the job. These are the bills to carry out the broad policy contained in the budget resolution finally adopted in August.

Budget resolutions settle only some issues; they leave a lot of blanks to be filled in. The fights over implementation are turning out to be as sharp and in many ways as important as the earlier deliberations that preceded them.

Thus the White House chief of staff, Donald Regan, warned last Friday that the administration opposes the Senate reconciliation bill in its current form, in part because of powerful policy consequences it could have for taxes. In lowering the deficit, the bill would levy two new taxes, neither large but each with the capacity for taking the government into a new realm of taxation. One would apply to most manufactured goods, to pay for the cleaning up of leaky chemical dumps, the other to imports, to finance a new program for workers who have lost jobs to foreign competition. The bill would also perpetuate, at 16 cents a pack, the U.S. excise tax on cigarettes, which otherwise would revert to 8 cents.

Its sponsors estimate that the reconciliation legislation would reduce the deficit by \$21.6 billion this year, and the taxes are an important part of that — but Mr. Regan said the president's advisers would urge him to veto the bill unless the tax provisions and some others

(involving Medicare and offshore oil revenues in particular) are cut out. And what of the deficit if a veto were sustained? That presumably would be the next day's problem.

The Senate has been working through a similar set of choices, in action on appropriations bills. In 1984, it took the Senate about a quarter of an hour to pass the appropriations bill for the Department of Housing and Urban Development and 17 independent agencies; last week it took two days. Much of the debate involved a weighing of the budget resolution against cuts proposed in general revenue sharing and health programs for veterans. The Senate finally compromised, sticking to its budget targets but fudging just a little on the cuts; it found some money elsewhere, including in the favorite secret drawer of all budget-cutters, administrative expenses.

These efforts to fine-tune the year's results are, of course, all unassailable. The president, his aides and members of Congress are supposed to fight about which programs to cut — and the administration is right in some of its objections to the reconciliation bill, particularly to the clean-up tax (which smells like a regressive value-added tax) and to the shell game that would be played with oil revenues. But for five years the deficit problem has been regularly subordinated to policy preferences on taxes, defense and social programs. That is what is continuing to happen, and at some point the finessing has to stop.

— THE WASHINGTON POST

Other Opinion

The UN: In Fashion Again?

Where, in the middle of Paris's crisis with Wellington and Canberra, was [External Relations Minister] Roland Dumay able to meet constructively and discreetly with his New Zealand and Australian colleagues? At the United Nations. Where is Secretary of State George Shultz preparing the Reagan-Gorbachev summit meeting with his Soviet counterpart, Eduard Shevardnadze? They meet Friday at the UN. Where do representatives of Algeria and Morocco, of Greece and Turkey, of Israel and Arab countries, of El Salvador and Nicaragua, even of Iran and Iraq, find it possible to open or renew discreet negotiations? In the famous glass building on the East River.

It has again become fashionable to show oneself in this lofty place, the will to save the system is now almost unanimous. This alone is not enough to assure peace in the world, but it most certainly was necessary.

— Le Monde (Paris)

Our shrinking planet is sitting on a pile of explosive problems: a growing arsenal of nuclear weapons, population problems, a fragile world monetary system overdependent on the U.S. dollar, global pollution, trade protectionism, and many others. Clearly, there is no cause for complacency on celebrating the UN's 40th anniversary.

— The Jakarta Post

Of Government and the Law

At home and abroad, the Reagan administration has made clear that it will not be inconvenienced by mere laws; it will do as it likes. But government under law is no mere game that we can quit whenever we do not like the rules. By stalling out of the World Court, the administration derided progress toward a world in which nations are governed by something other than the law of the jungle. In treating the Constitution and laws of the United States with the same cavalier contempt, the president and his advisers do great harm.

When Ronald Reagan was inaugurated, he swore not to do whatever he could get away with, but to "support and defend the Constitution." And that document's aspiration is precisely to replace the ethic of "might makes right" with a regime in which all parties, including the government, abide by and stand equal before an impartial standard of justice.

The Constitution binds the president and his administration just as surely as it binds the rest of the American people.

Balzac once described law as a spiderweb that snags trifling little flies, but surely cannot hold a hawk. Even the most affable of presidents should not be allowed to make that cynical metaphor into his code of conduct.

— Laurence H. Tribe, Tyler Professor of Constitutional Law at Harvard University, writing in the Los Angeles Times

FROM OUR OCT. 25 PAGES, 75 AND 50 YEARS AGO

1910: Will Britain Protect Holland?

LONDON — Germany and the integrity of the Netherlands are discussed. The Daily Express says: "A German annexation of Holland is impossible so far as British policy is concerned. We cannot and must not afford to allow the integrity of the Netherlands to be impaired. The independence of Holland and Belgium must be a cardinal feature of all British policy. That has been well understood all over the world, and in Holland the possibility of German annexation was always put aside on the assumption that England would not permit such a rearrangement of the balance of power. But now, it appears, this confidence in British determination and in British power is being undermined. It is being undermined because England is allowing Germany to wrest from her the supremacy of the seas."

1935: Dutch Schultz Dies in Gang War

NEW YORK — Arthur Flegenheimer, known as Dutch Schultz, Bronx "beer baron" and king of the billion-dollar Harlem numbers racket, died [on Oct. 24] from a fusillade of submachine-gun bullets that cut him down with three of his lieutenants in a Newark tavern [on Oct. 23]. Police believe the shooting marks the outbreak of the most bitter underworld war in the city's history and which is expected to continue until all of Schultz's henchmen are dead or in flight. Informers told police the Schultz gang of Brooklyn and the Brownsville section have been engaged in a war of extinction. Seventy-eight persons have been killed in the racket wars since the repeal of Prohibition ended rum-running. The terror of gang warfare hangs over the city's underworld as it awaits almost certain reprisals.

With a New Ally, Volcker Sits High

By Hobart Rowen

WASHINGTON — Few men in public life enjoy the prestige and public acclaim accorded Paul A. Volcker, chairman of the Federal Reserve Board. It is said, and it is probably a measure of his influence, that he is the second most powerful person in America.

Just a few weeks ago, while Mr. Volcker was in Seoul at the annual meetings of the World Bank and International Monetary Fund, financial markets plunged on the rumor that he would resign his job because he was angry over upcoming appointments to the Federal Reserve Board, which has seven members, of two men whose economic philosophies differed from his.

Then, when he put an end to rumors that he might leave the Fed to replace A.W. Clausen as president of the World Bank, the markets, and his opposite numbers in foreign countries, responded with cheers.

Mr. Volcker is seen around the world as a man of the highest integrity, dedicated to public service rather than accumulation of personal wealth. He has about two years to go on his second four-year term as chairman. The view expressed in Seoul was that while it would be a coup for the World Bank if he chose to become its president, it would be an overall loss to the world financial community if he left the Fed early.

It has become clear in recent weeks that because of the job shuffle between Donald T. Regan and James A.

Treasury Secretary James Baker, with Volcker's close cooperation, has sharply altered America's international economic policies.

Baker 3d, Mr. Volcker's power has been enhanced. Mr. Regan, as Treasury secretary, fought with Mr. Volcker, attempting to influence monetary policy.

But the Reagan administration has made sensible accommodations to the real world. Mr. Baker, as Treasury secretary, has made a sharp policy turn on international economic policies, seeking and receiving Mr. Volcker's close cooperation. Thus, as Mr. Baker said Oct. 13, "I think we've been able to work together to accomplish some things for the United States that are important. We could never have done what we did at the Plaza Hotel vis-à-vis the dollar without the active cooperation of the Federal Reserve."

Mr. Baker's reference was to his initiation of a move to devalue the dollar through coordinated intervention by the five major currency countries. It was an effort to devalue the dollar in order to blunt the congressional drive toward trade protectionism.

Mr. Volcker had long favored a moderate policy of intervention so as to prevent market speculation from enjoying a one-way bet on currency values. But during his first term, Mr. Regan favored a hands-off policy.

With Mr. Volcker's help, Mr. Baker has also evolved a new strategy to deal with the growing crisis in Third World debt. It involves calling on the big banks to make additional new loans to the developing countries,



By Steve Mandelbaum — The Washington Post

and on the multilateral development banks such as the World Bank to loosen their purse strings.

This is a new approach for the Reagan administration, which sees more trouble brewing for Mexico and other major borrowers as oil and other commodity prices plunge. The shift in White House strategy puts the Treasury in parallel with the Federal Reserve instead of on a collision course.

Mr. Volcker will now have an important role in convincing private banks that Mr. Baker's pitch to them to boost loans to Third World nations by \$20 billion over the next three years is crucial to the kind of economic growth — as opposed to the austerity demands made in the past — that will enable debtor nations to pay their debts.

There are differences, to be sure. Mr. Volcker is also a bit worried, though he was ahead of the administration on the need to pull down an overvalued dollar, that the process can go too far, too fast.

He said at an American Stock Exchange conference that so long as the United States faces a large budget deficit, the Federal Reserve must avoid a plunge in the dollar that would discourage foreigners from buying Treasury bills and notes.

A conversation on Mr. Baker's plane to Seoul underscored his worry about the "tricky business" of talking the dollar down. "I'm just as worried about the dollar falling too far as I am about it being too high," he said. Once a nation starts pushing its own currency down, he believes, it cannot be sure of keeping control.

But Mr. Volcker seems to have as much confidence in Mr. Baker's pragmatic conservatism as Mr. Baker has in him. The Fed chairman might have chosen two different board members than the supply-siders hand-picked by the White House. But the commanding force of his personality is such that he is likely to dominate the Federal Reserve System as long as he is there — especially since he has a friend at the Treasury.

The Washington Post

A Dangerous Celebration Of American Unilateralism

By Richard J. Barnet

WASHINGTON — "We did this all by our little selves," said President Reagan as he announced proudly that U.S. Navy fighters had forced an Egyptian plane to land in Italy without prior consultation with either country. In the administration's view, the widespread American applause for this use of military force against an ally and major aid recipient plainly outweighed the cost in injured relationships with Italy and Egypt. Indeed, the action was a classic example of the administration's unilateral approach to world affairs.

No administration since the war has celebrated unilateralism as this one has. In national security, economic policy and diplomacy, Washington prefers to advance U.S. interests through its own initiatives and power rather than the mechanisms of international cooperation.

Upon taking office, the administration withdrew from the Law of the Sea Treaty. It has consistently denounced the United Nations and refused to be bound by judgments of the World Court. It has pursued economic recovery through deficit spending, high interest rates and an overvalued dollar, thus sucking up needed capital from Europe and the Third World without regard to the devastating effects of these policies on other countries.

In Soviet-American relations, the United States has signaled its intention to dash rather than build a relationship based on mutual interest. In Washington's view, the Soviet adversary is to be managed by steadily increasing the threat to it. Indeed, the administration appears to deny that Americans have any interest in common with "the evil empire." The approach to negotiation has been grudging. The administration has, for example, cut off negotiations on the nearly completed Comprehensive Test Ban Treaty: Washington evidently prefers to rely on its technological edge and economic power.

The administration would rather wage a "covert" war against Nicaragua than support Latin American efforts to negotiate the conflict. In Afghanistan, the administration supports the "freedom fighters" resisting the Soviet army and barely gives lip service to the efforts of the European allies and others to set

the conflict through negotiation.

Perhaps the most dramatic symbol of unilateralism is the Strategic Defense Initiative. This imaginary technological shield is intended to prevent America's destruction by relying on its machines — rather than Moscow's self-interest — to prevent war.

Unfortunately, this reliance on unilateralism comes at the wrong historical moment: "Rambo" nationalism has no place in a world of nuclear weapons and more than 160 countries. Even the most powerful country has lost considerable control over its own economy. The United States has never been so dependent on foreign trade, and more than a trillion dollars of unregulated Eurodollars are beyond the reach of the U.S. Treasury.

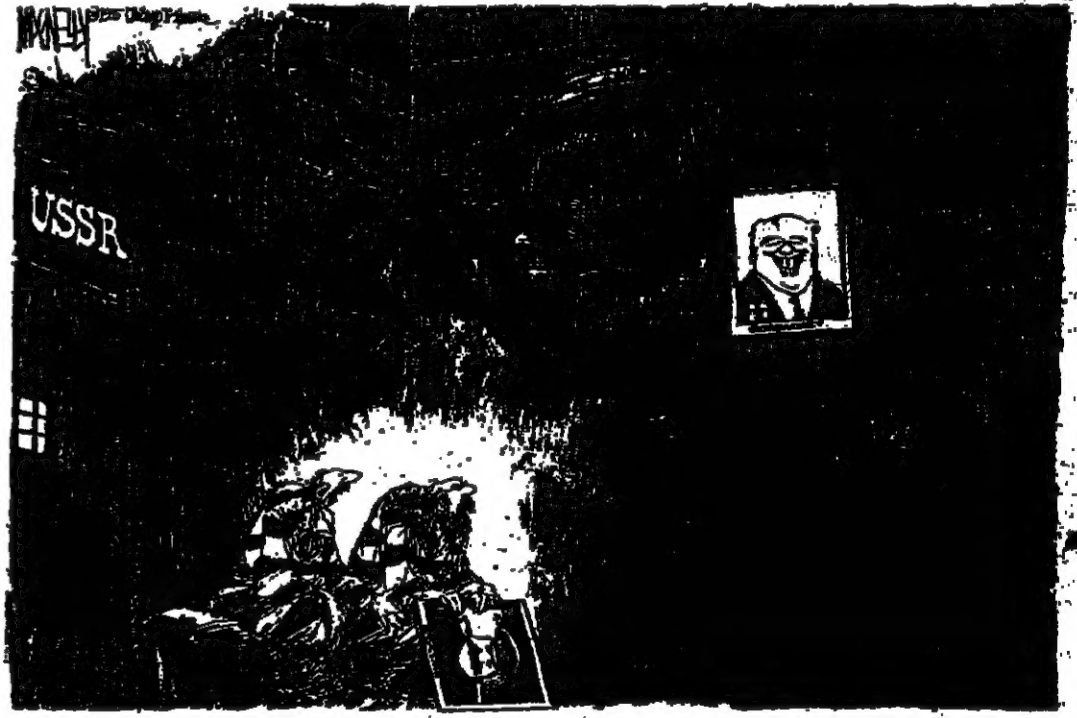
There is the danger of a trade war reminiscent of the 1930s. Meanwhile, the world debt crisis continues unabated, threatening the collapse of the banking system. None of these problems can be solved by the United States acting alone or laying down the law to other nations.

In the field of national security, the United States remains totally vulnerable, despite the myth of the nuclear Maginot Line in the sky. The pursuit of security through building ever more weapons has failed, as ever more weapons are in turn aimed at America, increasing the risks of war through miscalculation.

The United States is a strong nation, considerably stronger economically and militarily than any other country, including the Soviet Union. But its power to create a world environment in which Americans can be secure and prosperous is limited by the strange new world in which we live. New forms of international cooperation are badly needed; existing international institutions must be improved or replaced. No nation has as much to lose as the United States by international anarchy.

The country's national interest cannot be served by outmoded nationalism, however good the rhetoric may feel. Americans can no longer secure their most vital interests by acting alone.

The writer, a senior fellow of the Institute for Policy Studies, a public policy organization, contributed this comment to The New York Times.



'Really brightens up the old place, doesn't it? ...'

In Moscow, Mighty Karpov at the Board

By William Safire

There was ease in Karpov's manner As he stepped into his place, There was pride in Karpov's bearing, And a smile on Karpov's face, And when, responding to the cheers, His opponent he ignored, Grandmasters of the chess world knew Two Karpovs at the board.

Forget the World Series. Superbowl, schumpربول. The big tension in the sports world today is the match being played at Tchaikovsky Hall in Moscow between Anatoli Karpov, 34, world chess champion, and his challenger, Garry Kasparov, 22.

The match has grudge written all over it, and for good reason. Mr. Karpov is the darling of the Soviet chess establishment, having defeated the previous champion, Viktor Korchnoi, who was a defector. (Some say Mr. Karpov's long-carrying psychologist, Dr. Vladimir Zuckhar, sat in the front row and hypnotized Mr. Korchnoi, but that is unproved. All we know for certain is that all grandmasters' names begin with K.)

His new opponent, like Mr. Karpov a Soviet citizen, has the manners of tennis's John McEnroe, and is called in Russian a *motopoyet*. Mr. Kasparov is the son of an Armenian and a Jew, hardly a pedigree in Mos-

cow these days, and he tends to shoot off his mouth about favoritism shown to the nervous champ.

In their first match earlier this year, the champ started off by beating the kid handily. But in game after game, the kid's innovative gambits began to get to the aging grandmaster's Nimzo-Indian defenses, and Mr. Karpov froze. Stalemate, one draw after the other. Mr. Karpov was ahead, 5 to 1, with 6 needed to win, and they played 40 draws. Then Mr. Kasparov won his second, and he was on the brink of collapse.

Then the referee, corruptly declared the match to be over. The president of the International Chess Federation, said he just decided that day that everybody was too tired — but Tass happened to have put out the story the night before.

That little ploy by the Moscow chess bosses left Mr. Karpov as champ, and stunned the young Mr. Kasparov — still fresh and eager to play — out in the cold. En passant, the Soviet bureaucracy threatened to

draft the challenger's chief second into the Red Army.

"Fraud!" cried the maddened thousands, And the echo answered "Fraud!" But a scornful look from Karpov, And the audience was awed; They saw his face grow stern and cold, They watched his muscles cord, When Russia lost to Fischer, There was no Karpov at the board.

Chess-playing pundits the world over asked: "If the Russians so blatantly cheat at chess, what's to stop them from cheating on the ABM treaty with that battle-management radar at Krasnoyarsk?" Soviet chess credibility took a further beating when, at this new match, the rules were changed to make it less, wearing on the champ. But despite the rigging, when Mr. Kasparov chose the Taimanov Variation of the Sicilian Defense (which I think threatens an opponent with kneecapping by the Mafiosi), Mr. Karpov foolishly countered with the crazy Sicilian Variation; this opened the way for the kid's dynamic gambit (pawn to Queen 4 on his eighth move), and blew the champ away.

At this moment, step into tense Tchaikovsky Hall. Mr. Karpov, to the dismay of Soviet officials, has fallen behind. Garry Kasparov, the upstart, leads by 9.5 points to 8.5, with 12.5 the magic number for match victory. No longer can the champ win by merely playing to draw; he is in a state of what Garry players call *zugzwang*, forced to move but doomed by moving. For the first time, the glowering Mr. Karpov has to play catch-up chess.

Watch out for Evil-Eye Zuckhar in the front row, Garry. The world holds its breath as the kid runs back and flings in his next gambit. Perhaps Mr. Karpov will rally; perhaps the fix will be put in; or perhaps we will soon be watching of the happy endgame —

Oh, somewhere in this money land The sun is shining bright, The band plays Shostakovich, And somewhere hearts are light, And somewhere children frolic, And Gorbachev's smile is kind, But there is no joy in Moscow — Mighty Karpov has resigned. The New York Times.

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SDI Is Old Hat

Regarding the news item "Laser Tracked Missile in Test, Weinberger Says" (Oct. 4):

Readers should be aware that the United States has been using ground-based lasers to track artificial satellites since 1962; so the recent test was not a first, despite the Defense Department's claims.

Nearly 15 years ago, the United States received on Earth signals from a ground-based laser beam reflected off the Moon. Tracking objects in space with beams from ground-based lasers has never been a problem. The only real challenge is to maintain a sufficiently intense beam.

This is a new example of the "hype" generated to keep the funding flowing for such research projects. There are other examples:

Take Geneva Seriously

Several recent commentaries in the International Herald Tribune have

Two-Way Recognition

Some well-meaning columnists have returned to the proposition that the Palestine Liberation Organization must recognize Israel if it wants to keep the "peace process" alive.

But with Israel's constant pursuit of military objectives, one must wonder what the consequences would be of such a unilateral declaration. The Israelis could simply say "thanks" and then sit back to watch the humiliated and demoralized Palestinian movement rip itself to shreds.

Any recognition must be a two-way street, and it does not have to come at the beginning of the peace process. It can come at the end, as a visible proof of success on the part of both parties.

JOHN SHELLEY,
Barcelona.

JANET BRUIN,
Zurich.

AUSTRIA

A SPECIAL ECONOMIC REPORT

FRIDAY, OCTOBER 25, 1985

Page 7

'Alpine Dollar' Equals Stability

By David Hemmings

VIENNA — No opportunity is lost in Austria to celebrate an anniversary, even if the occasion is not necessarily a nice "round" affair. There is an agglomeration of these odd birthdays in 1985.

It is now 15 years since the Socialist Party took over leadership of the government, first with a parliamentary minority, then alone and, more recently, in coalition with the small Freedom Party. Thirty years ago, the country regained its sovereignty with the signing of the State Treaty, which came just 10 years after the beginning of the occupation of the country by the wartime Allies. And 60 years have elapsed since the currency reform that replaced the krone with the schilling.

It is this "alpine dollar" that has come, for most Austrians, to symbolize the stability of the economy. The Organization for Economic Cooperation and Development, in its 1985 Economic Survey of Austria, summarized: "The overall performance has remained satisfactory: The growth rate of GDP [gross domestic product], unemployment rates, productivity increases, inflation and the strength of the national currency continue to compare favorably with those in most other European countries."

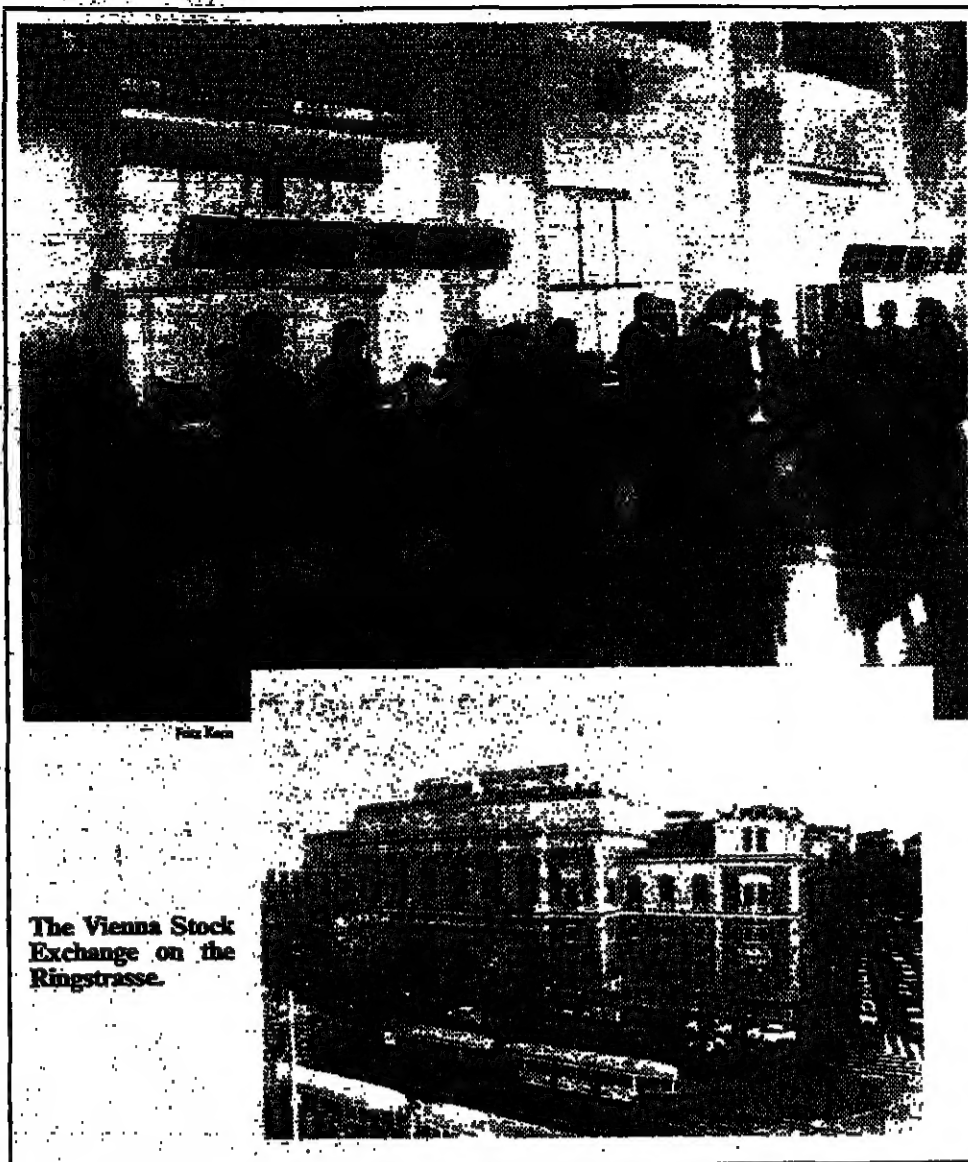
This has been achieved through a variety of circumstances, especially a determination among Austrians on both sides of the political fence to get the country running again after decades of neglect.

By the 1970s, the Austrian Socialists had largely abandoned dogma and were seeking pragmatic solutions. Consensus became the watchword, exemplified in a system of "social partnership."

The basic stability of the economy enabled Austria to weather the recession reasonably well. In this, it was certainly assisted by its geographical location in the heart of Europe with strong historical ties to Eastern Europe. The inherent disadvantages for trade of being a landlocked country are increasingly becoming a thing of the past. An almost completed expressway link to Trieste inspired the signing earlier this month of a treaty making the Adriatic port once again, as in the days of the monarchy, Austria's prime outlet to the sea. And the completion of the Rhine-Meuse-Danube canal will put Austria astride a freight waterway linking the North Sea, directly with the Black Sea.

This east-west, north-south role has come into prominence recently with the emergence, during the 1980s, of major trading houses. Intertrading, a Vost-Alpine subsidiary, and Mern, owned by Chemie

(Continued on Next Page)



The Vienna Stock Exchange on the Ringstrasse.

Neutrality Is Central Feature In Strong National Consensus

By Henry Tanner

VIENNA — Austria's neutrality will be 30 years old tomorrow. It was proclaimed on Oct. 26, 1955, as part of the constitution for the Second Republic after the last Soviet and Western occupation troops had withdrawn from Austrian soil. It was imposed by the Big Four in the State Treaty, in which the victorious powers had presented the Austrians with the unexpected gift of independence and sovereignty in May of that year.

At the time, neutrality was regarded with suspicion by many Austrians. To accept it at the hands of foreigners was seen as a price that had to be paid for freedom, a smart but vaguely humiliating act of practical politics that seemed less than honorable and might not be permanent.

Today, according to all accounts, neutrality is regarded as the permanent central feature of the Austrian state by all but a tiny minority.

"Neutrality is the most interesting and most important phenomenon of our postwar history," Gerd Bacher, director-general of the Austrian Radio and Television network, said. "Nobody could have expected that the concept, which was imposed by the big powers, would take such deep roots so quickly in a nation which in its thousand years of history had never been neutral for a day or a minute."

The broadcasting network exercises what Mr. Bacher calls "active" neutrality. Its programs are followed regularly by several millions in Hungary, Czechoslovakia, Yugoslavia and other nearby Communist countries. But it makes a point of broadcasting the same news, commentaries and cultural programs to Eastern Europe as it airs for its Austrian audience.

"We are not in the business of propaganda,"

we provide serious objective information, and this is why we have unusual credibility," Mr. Bacher said. Journalistically, his network towers above the country's written press, which, with few exceptions, consists of racy tabloids dispensing sex, crime and local color.

Neutrality has been a key factor in helping Austrians adjust to their new postwar status as a small nation and to overcome their nostalgia for the monarchy or Greater Germany, Austrian politicians say.

The first republic, which succeeded the empire in 1918 and ended with the Anschluss, the annexation that made Austria a part of Hitler's Germany, was known as "the state that nobody wanted," one politician said. Until well into the 1930s, the programs of all the major parties called for unity with Germany, he said.

Today, no-one thinks of the republic as an unwanted state, and "the German question no longer exists," he added.

Joseph Taus, a banker who has twice been the conservative People's Party's candidate for chancellor, said that today's national consensus "is as strong as if it had existed for hundreds of years" instead of little more than a generation. His remark was echoed by leading Socialist politicians.

Yet the third candidate in the current campaign for the presidential election next May is a politician who argues that Austria is not a nation but culturally, if not politically, part of the German nation.

He is Otto Scrinzi, a physician from the southern city of Graz, who is seeking to mobilize the extreme right and to harness nostalgia for Austria's German past.

On a television program last week he did not object to being described as a man who does not recognize the existence of an Austrian nation,

and he declared that he saw no contradiction between this stand and his desire to become president.

Mr. Scrinzi is a member of the small rightist Freedom Party, which is the Socialists' junior partner in the government coalition. The party is split between moderates and a loosely organized extreme right wing of vocal nationalists. Mr. Scrinzi concedes that he has no chance of being elected but hopes that he will do well enough, with 2 percent to 3 percent of the vote, to stake out a position for the parliamentary election of 1987.

Kurt Waldheim, the former United Nations secretary-general, for the People's Party, and Kurt Steyrer, the minister of health and the environment, for the Socialists, are the main candidates in the presidential race.

Mr. Waldheim has been given a slight edge in recent opinion polls. But many politicians predict that, in the end, Mr. Steyrer will be carried to victory by his party's greater numerical

(Continued on Page 9)

INSIDE

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Tourism, on the grand scale, remains the untested export earner. Page 10.

Agriculture and forestry employ one-fifth of the population. Page 10.

Banking: The competition is fierce, profit margins are low. Page 9.

Offsetting Imports by Trade With East and West

By Vivian Lewis

VIENNA — Austria is an inveterate and imaginative seller of its wares, to communist and capitalist countries alike. In periods when its partners to the West are in recession, and demand for Austrian goods lags, Austria's trade with Comecon countries, much of it financed by intergovernmental lines of credit, helps to offset the country's imports.

These days, apart from with the Soviet Union, business with Comecon, the East bloc trade group, is in a relative decline for most trading partners. But Austria is trying to limit Comecon sales to about 12 percent of total exports. And to further cut the risk of what is seen as excessive dependence on East bloc trade, the Austrians are seeking to diversify their trade within the communist world. Austria's communist markets, in order, are the Soviet Union, Czechoslovakia, Bulgaria, East Germany and Hungary.

Recently, the Austrians, with subsidies half from the government and half from farmers' groups, put together a sale of 100,000 tons of wheat to Poland, a country that frequently has difficulty borrowing these days. A few weeks before, Austria provided a \$344-million general credit to the Bank of China, again at below-market rates, to finance construction of 27 hydroelectric plants. Creditanstalt, the country's largest bank, was lead manager.

According to Austrian bank sources, the subsidies in the Polish and Chinese transactions are unusual. Nearly half the credits for bankable East European countries are sold off in interbank club transactions to other Western banks. Having a finance package is important: 80 percent of sales to Comecon are under previously agreed lines of credit. But in most cases today, no subsidy is needed.

"There simply is no need to encourage exports through extremely low-cost financing with Eastern Europe," Peter Pospöck, senior vice president of Genossenschaftliche Zentr

bank, said. "Interest is in line with market rates and usually tends to be higher now for longer-term capital goods trade," that is, five to 10 years.

The level of Austria's Comecon trade is not surprising, given proximity, the fact that Austria is neutral and the long economic association under the Hapsburg Empire. But the overall export finance institution, the Kontrollbank, requires that importing countries agree to sign a statement that the material is not for military use.

Meanwhile, the Chamber of Commerce is trying to penetrate new markets, most notably the United States, now Austria's fourth trading partner. One of the chamber's

The level of the Comecon trade is not surprising, given proximity, Austria's neutrality and the long association under the Hapsburg Empire.

specialists, Josef E. Schwald, noted that a high dollar makes Austrian goods cheaper, but also said that the chamber deserves some of the credit. "Many of our people have finally discovered the U.S. market, medium and large companies across all sectors," he said. Led by makers of loden and Tyrolean-style suits, more than 50 companies are showing in the New York Garment Show this month.

The chamber is in a special situation in helping to promote trade in Western countries. Instead of a diplomat, as is usual, a member of the chamber represents Austria on trade matters in most Western posts.

A tax of 0.3 percent on all imports and exports is used for trade promotion by the chamber, enabling Austria, a country of just 7.55 million people, to participate in 120 trade shows and send abroad 50 trade missions a year. Foreign trade missions also visit the country, most recently groups from China and Saudi Arabia.

Some markets remain frustrating to Austrian trade specialists. "We cannot penetrate the French market," Mr. Schwald said, "and in the first half of 1985, we actually sold more to China than to Japan, where we cannot find the door."

Overall, Austria ran a trade deficit in 1984, with imports at 392.1 billion schillings (about \$21 billion) exceeding exports of 314.5 billion schillings. West Germany is the main problem, since it accounts for 40 percent of Austrian imports and only 30 percent of its exports. About half of Austria's trade gap with West Germany is accounted for by nearby Bavaria. Exports and imports are largely of consumer goods, followed by capital goods and semi-finished goods. Austria is a net importer of food and energy.

But the country's earnings from tourism more than cover its trade gap.

Because of the importance of trade with West Germany, Austria has to peg the schilling to the Deutsche mark. Herbert Koller, vice president at the central bank, explained how this policy works. "Austria operates on exchange-rate targeting, not monetary-mass targeting. We keep our interest rate always a little bit higher than in Germany. That way we can avoid having to have a money-supply policy," he said that since 1971, the schilling has never varied by more than 2.4 percent from the mark.

While Austria is required to run general economic and price policies to control inflation, exchange-rate targeting gives it a certain leeway, for example in financing exports without having to worry unduly about the effect on money supply.



Steyr-Daimler-Puch have one Europe's most modern spot-welding machines in its vehicle plant outside Graz.

Wine Labels Have Sobered Up Since the Summer's Panic

SALZBURG — A new somberness prevails in the wine section of Salzburg Airport's duty-free shop. Instead of brightly colored labels playing on wine, women and song, the emphasis now is on chemistry. Bottlers are outdoing each other, not in special promotions, but in rigorous laboratory analyses of their vintages.

This is one of the side effects of the Austrian wine scandal of June and July, when it was disclosed that some bottlers and wine dealers had added diethylene-glycol to their brew. The product, which can cause brain and kidney damage if absorbed in large doses, is normally used in vehicle antifreeze. A number of growers, traders and chemists have been arrested in the scandal.

Adding the chemical to the wine helped achieve a higher grading, and higher prices, for inferior wine, by increasing the volume of sugarfree extracts. A "quality wine," under current Austrian law, must have 18 grams (0.6 ounces) of such extracts. Otherwise, it is graded as "ordinary wine." The scandal began to break when German bottlers, who import Austrian wine in bulk to add to their own batches, discovered the chemical.

"Our learning of the extent of the scandal," Josef Weisböck, general manager of the Lower Austrian Vintner's Association, said, "was like a stone falling from heaven." Like other professionals, this cooperative winegrower and bottler admits he "suspected but did not know that chicanery was going on. I saw people getting rich on poor land."

Mr. Weisböck estimates that this year a million hectoliters (more than 26 million gallons) of wine sales, half outside Austria, have been lost because of the revelations. The panic led to a drop in sales of all Austrian wines and, in Japan, people even boycotted Austrian wines. Total annual wine production in Austria is 3.5 million hectoliters.

Cooperatives in Lower Austria and Burgenland, where most of the doctored wine came from, and in Styria were untouched by any accusations. But the cooperatives, which have about 20 percent of the domestic market and about 30 percent of the export market, now have to rebuild consumer confidence.

The cooperatives' target is to increase domestic turnover 25 percent from midsummer panic levels by the end of this year, helped by a 7-percent price increase that was allowed after the relatively poor



A vineyard near Grinzing.

1984 vintage. They feel that buyers may be reassured by the new labels saying "Officially Controlled" and by the bottle's unusual shape, which is more like a port bottle than the normal model.

Shelved for the moment are plans, made before the troubles, to promote Austrian cooperatives' wines abroad. McCann-Ericson, the advertising agency that was planning it, advised the vintners to wait a while before launching their "Amerika campaign," initially scheduled for 1986. Importers specializing in Austrian wines, like Select Wines of Dallas and Bacchus Imports of Seattle, were instrumental in getting the U.S. Treasury to lift its ban on all Austrian wines this autumn.

The Austrian parliament was called back in special session in August to pass strict new wine laws. Those laws have since been voted down by the opposition-controlled upper house, but the upper house is likely to be overruled by the lower house. Experts like Mr. Weisböck are irritated that they were not consulted in drafting the new law. He said that a strong law already existed, and if enforcement of the new law "is no better than that of the old, it is not worth printing."

— VIVIAN LEWIS



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A SPECIAL REPORT ON AUSTRIA

Austria's 'Alpine Dollar' Equals Stability

(Continued From Previous Page) Linz, are doing a high turnover in countertrade operations, and presumably making a tidy profit, although exact figures are hard to come by.

Austria's gross domestic product was a real 2.8 percent higher in the first half of 1985 than during the same period last year and is expected to reach 3 percent, the OECD average, for the whole of 1985. Unemployment is high by Austrian standards, at around 4.7 percent, but is still well below that of most other countries. Inflation, which was at 5.6 percent a year ago, looks like it will fall for 1985 as a whole to

around 3.8 percent. The forecast for 1986 is that it will decline still further to 3.3 percent.

The balance of trade, however, continues to give cause for concern and is likely to touch 80 billion schillings (\$4.3 billion) in 1985. All in all, the "package" of financial measures introduced in 1983-1984 to consolidate the budget seems to have paid off. Although there have been no reductions in direct taxes, the Austrians can still cling to their complicated network of tax-deductible allowances.

There will be an important addition to this network next year. As from Jan. 1, it will be possible to

offset the purchase of up to 40,000 schillings a person of new share issues against taxes. In addition, shareholders will only be liable for half the income tax on dividend payments. Karl Pale, president of the Vienna Stock Exchange, is jubilant about this important step toward revival of the equity market.

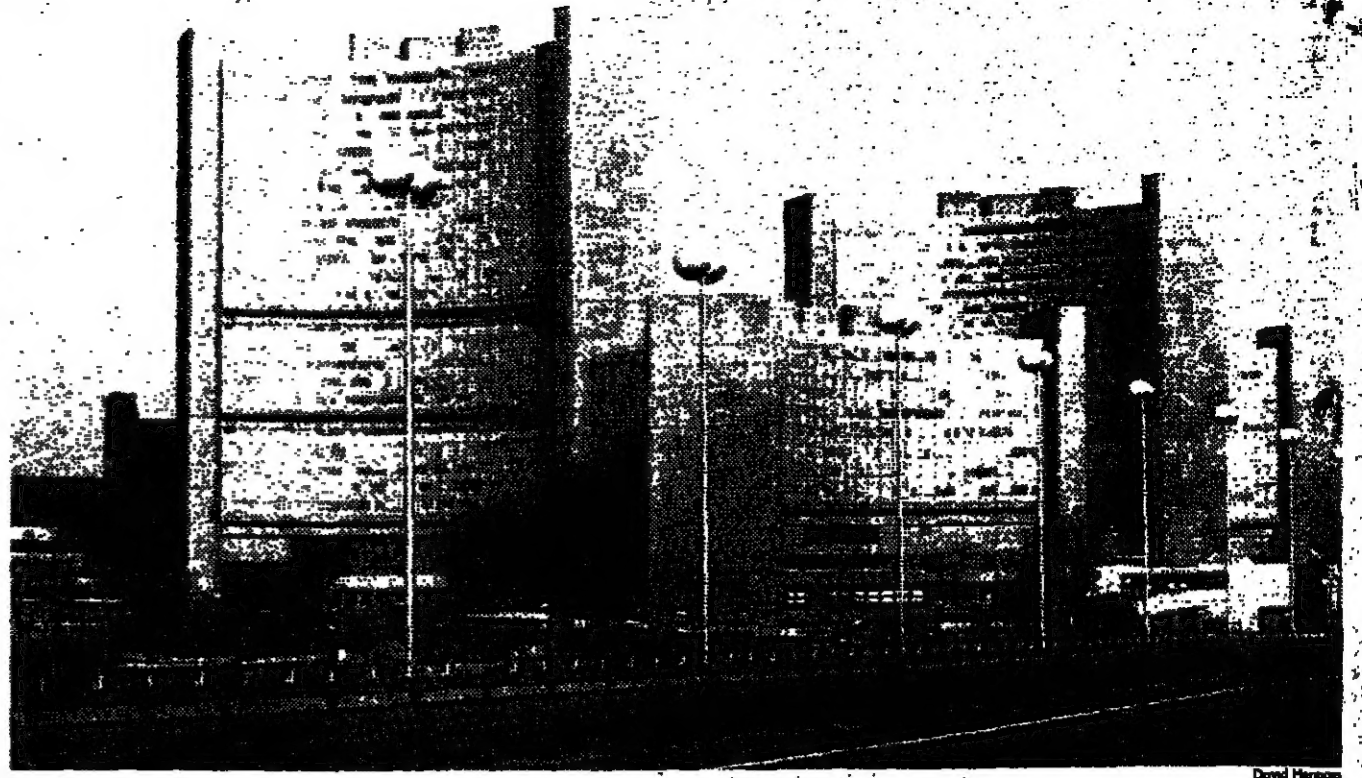
In the first half of 1985, the Vienna Stock Exchange outdid New York, Tokyo, London and Paris in comparative performance. "We succeeded in increasing the turnover by more than 350 percent over last year's figure," Mr. Pale said.

In the Austrian capital market,

bond issues are routinely oversubscribed, and dividend rights certificates consistently bring high returns.

Despite these favorable indications, Helmut Kramer, head of the Austrian Institute for Economic Research, has warned against undue optimism. In his view, "the Austrian economy shows serious symptoms of a structural crisis." He said that at the end of 1984, the proportion of Austrian goods on world markets continued to sink, whereas imports went on rising.

Mr. Kramer argues that, rather than bemoan unfavorable exchange rates, it would be better to examine what changes in Austria's economic structure and economic policy would lead to a higher degree of autonomy. Together with other analysts, he comes to the conclusion that a more international approach should be introduced into the economy, possibly by attracting more large industrial and service enterprises from abroad, and not solely from the European Community with which Austria, although not a member, has a trade agreement.



The Vienna International Center, home to several United Nations organizations.

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Difficulties and Diversity Mark Industrial Scene

VIENNA — Austria's industrial image is compounded of dynamic diversity and deep difficulty: on the one hand, a well-balanced spread of manufacturing enterprises, but on the other, chronic deficits in key sectors and a reluctance to implement changes that would restore the balance.

In many instances, concern for the environment has been cited as the reason for slowing presumed progress. The mothballing of the country's only nuclear power plant before it went into operation and the indefinite postponement of plans to build a giant hydroelectric generating station in the middle of a primeval Danube river forest were chalked up as justified successes for the Greens movement. The latest hindrance is less convincing.

The small town of Raaba on the outskirts of the country's second-largest city, Graz, decided not to allow the construction within its boundaries of a manufacturing plant for microchips. The decision stunned the initiator of the project, the nationalized Voest-Alpine AG, which had planned the work as a joint venture with OKI Electric Industry Co. Ltd., of Tokyo. The Japanese partners immediately let it be known that they had no intention of abandoning Austria, and the search started for an alternative site.

"Alpine troglodytes" was the least offensive description accorded in the Austrian press to the 1,500 inhabitants of Raaba for putting consideration of life-style ahead of the supposed benefits of technological progress. The secretary of the Association of Austrian Industrialists, Herbert Kreydl, could only bring himself to comment laconically: "The Austrian is at heart an anti-industrial type."

He was overstating the case: The average Austrian is rather proud of the country's industrial achievements and accepts with apparent equanimity the large sums that are poured into keeping state enterprises going to protect employment. It is clear, though, that fresh industrial impulse is

needed, and Austrians are skeptical that technology alone can do the trick.

All the same, since the early 1980s important advances in high technology have been made.

Voest-Alpine has entered into production arrangements with IBM and American Microsystems Inc. for semiconductors and customized chips, and Siemens-Austria is operating its own plant for integrated circuits, near Villach.

However, a glance at the statistics shows that Austria has a long way to go to catch up with countries such as the United States, Japan, West Germany and even Sweden.

The Organization for Economic Cooperation and Development, in its latest economic survey of Austria, pinpoints the need for innovation but points out that this is closely related to the size of research and development spending.

In the late 1960s, when productivity was flourishing, with imported capital equipment and licenses from abroad, spending was only 0.4 percent of gross domestic product, which is the country's total output of goods and services minus income from operations abroad. That spending rose rapidly in the 1970s to 0.8 percent of GDP.

But "this ratio is still among the lowest third of OECD countries and seems to have dropped more recently," according to the OECD.

There are clear indications in another field, though, that major structural changes are ahead. Austria's links with the European Space Agency are soon to be formalized, after five years of associate membership, thus ensuring a flow of industrial contracts for "intelligent" products to domestic enterprises. The "viewports," or windows, built here for SpaceLab are a typical example.

Austria has already expressed a keen interest in entering the joint European Eureka technology project, although this is seen in some quarters as possibly endangering more lucrative work for the U.S. space program.

Right down to earth are plans to reorganize and restructure the product mix of Austria's nationalized industries.

After years of favorable relative performance in the 1970s, these came under strong pressure, especially as regards iron and steel production, when worldwide recession set in. Voest-Alpine alone has needed 6 billion schillings (about \$324 million) in state subsidies since 1981 (7.5 billion schillings if capital enhancement is included) to keep itself out of the red. The director general of Voest-Alpine, Heribert Apfalter, aims however to achieve a positive balance sheet by 1987.

The large share of nationalized industries in Austria's industrial structure becomes even larger when the enterprises controlled by state-owned banks are included.

Together they then account for approximately one-fourth of the whole, employing one-fifth of the country's labor force.

Apart from the rights and wrongs of banks dabbling in non-monetary matters, Austrians, if they were not so complacent about the financial shortcomings of their state enterprises, should have been alarmed by the news recently that Creditanstalt-Bankverein had turned to the Ministry of Finance for an allocation of 7.2 billion schillings and, on certain conditions, was going to get it.

Out of a total "market-stand" of 16 enterprises covering metal working, machine tools, glass making, textiles, paper, chemicals, construction, brewing and luxury hotels, three companies, Heit, Andritz and Steyr-Daimler-Puch, were in serious financial difficulties. There has been little resistance, except in the press, to the proposed grant.

Whether the country's long-term interests would not better be served by plowing the money into more innovative, forward-looking industrial projects only the future will tell.

— DAVID HERMES

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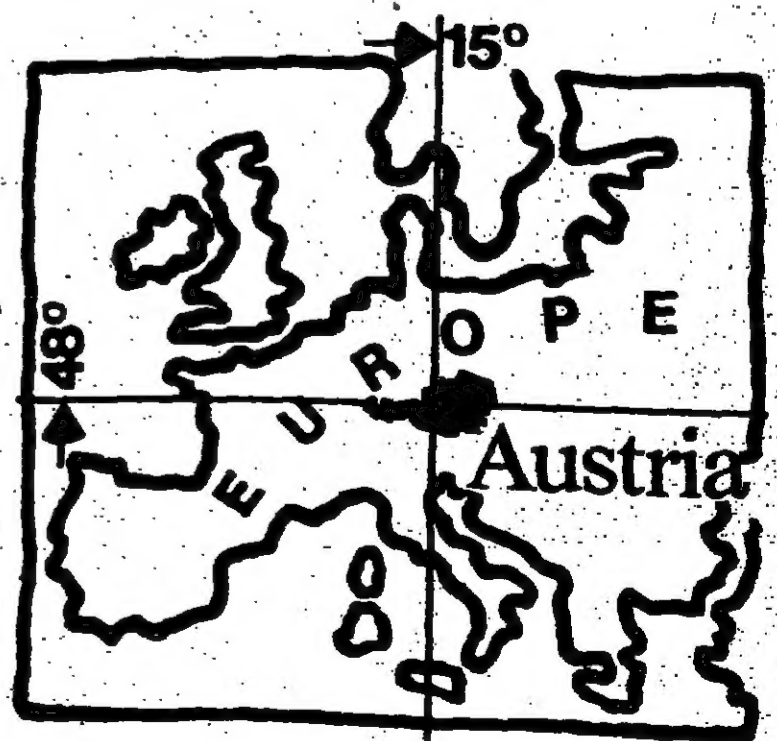
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Booming Börse Still Evolving

VIENNA — The Austrian stock market is an "undeveloped country," according to Herbert Krejci, general secretary of the Union of Austrian Industrialists, the country's association for top managers in the private-sector industry.

In fact, one reason so much of Austrian industry remains, directly or indirectly, in the state sector, which employs one-quarter of Austrian industrial workers, may be that there is no functioning capital market yet to enable these holdings to be sold off.

According to Guido Schmidt-Chiari, deputy chairman of Austria's leading bank, Creditanstalt, "The first major new company introduced on the stock exchange in decades was brought to market by us in September." The company, Jungbunzlauer, is a major world producer of citric acid. The new issue was 18 times oversubscribed.

Helping the stock market along is a series of new incentives like the program, starting next year, to cut the double taxation of dividends by allowing stockholders a tax credit against taxes already paid by the corporation. Another program encourages individuals to invest up to 40,000 schillings (\$2,160) a year to be raised to 100,000 schillings in 1986) in capital increases by listed companies by ending all taxes on dividends up to 30,000 schillings a year.

Chancellor Fred Sinowatz said, "We are moving in the direction of a Monitory Plan" — a French plan that allowed investment in French listed firms to be deducted from taxable income. He would give no further details.

Not surprisingly, with these incentives, the Austrian Börsen is booming. The index, after stagnating for 25 years, doubled in the year to August 1985.

Yet so far, foreigners are not placing much money in Austrian listed shares, if only because there are only 80 in all. Bernd Ertl, of Portfolio Management, an investment advisory group in Munich, said, "There is too much capital chasing too few situations in Austria. Right now, we are not recommending that German investors join in. Vienna for us is practically irrelevant."

— VIVIAN LEWIS



An underground station of the Vienna subway system.

Banking: Fierce Competition at Low Margins

VIENNA — This is an eventful time, but not necessarily a happy time, for Austria's banks.

The unhappiest bank is probably the country's largest, the Creditanstalt, whose first half deposits this year (up 20 percent) came to 346.3 billion schillings (about \$18.7 billion). This month, the Austrian parliament is due to vote 7.2 billion schillings in new funding for CA, to save its industrial subsidiaries.

Creditanstalt's troubles have little to do with the bank, which is flourishing, and much to do with its control of important chunks of Austrian industry for a variety of historical reasons. These include the need to bail out and protect companies after the post-World War I breakup of the Austro-Hungarian Empire and during the Depression as well as during the period of the 1945-1955 occupation of Austria after World War II.

As a result, Creditanstalt has almost total control of three troubled companies: Andritz, a heavy-machinery maker, 90-percent owned by CA, which is to get 3.875 billion schillings of the new funding; Steyr-Daimler-Puch, an industrial group, more than 50-percent CA

owned, to receive 2.638 billion schillings; and, lathe-maker Heid, 80 percent owned by CA, which will get 550 million schillings.

Creditanstalt's deputy chairman, Guido Schmidt-Chiari, said that "political interference" blocked a Steyr sale of tanks to Chile, while Andritz took losses in an Iraqi industrial project.

Mr. Schmidt-Chiari is happier about other developments in Austrian banking, particularly a proposed banking-law revision, which will be finalized in 1986. In the interval, he applauded the so-called "gentlemen's agreement" reached in March among Austrian banks, whereby they agreed to set a floor on loan charges and a ceiling on the interest they pay depositors.

Austrian banks, in the view of experts, compete excessively and earn very low margins. One study has shown that Austria has more banks per capita than any nation in Europe. A study last year of large banks in the Organization for Economic Cooperation and Development showed that Austrian banks have the second lowest gross operating margins of comparable banks in any of the 23 member countries,

except Japan, and that they are falling. In July, The Banker, a British publication, presented data showing that Austrian bank profitability (pretax profits as a percentage of assets) is the lowest in the world, save that of India.

To cut their competition, the banks have created what Mr. Schmidt-Chiari called "a cartel, which may be a dirty word for Americans but which is legal in Austria." The rate agreement, in fact, is unenforceable by law, and it will take a lot of "gentlemanlike behavior and rationality" if it is to survive for long, according to Vice President Herbert Koller of the Austrian National Bank (the central bank).

The new banking law will set higher capital requirements on Austrian banks and to meet them the banks will have to raise their margins while cutting costs. It will require that Austrian banks bring their equity levels up to 4 percent of their liabilities from current levels of more like 2.5 percent during the remainder of the 1980s. Half of all off-balance sheet risks will have to be covered in the same proportion. Then too, the long-standing

anomaly whereby Austrian banks put their own capital on the liabilities side of their balance sheet will be ended.

In addition, the new banking law will allow Austrian banks, including those 60 percent owned by the state like Creditanstalt and Länderbank, to issue capital-participation shares, which will earn interest varying with results (up to a ceiling) and whose face value can be reduced if the bank loses money.

Holders will not have the right to vote at the annual meeting like shareholders but they will have information rights. This new bank equity will be perpetual and subordinated, and will be counted in determining the ratios. The Austrian authorities opted not to allow subordinated perpetual debentures (as in Britain) or participatory shares (as in France) so as to keep capital scarce for Austrian banks — and force them to restrain their lending.

— VIVIAN LEWIS

Foreign Investment: Clouds On Multinational Horizon

VIENNA — One out of every four Austrian industrial workers is employed by a foreign-owned company. But some foreign multinational corporations may be wondering if they are still welcome in Austria.

One reason was the vote last month by the town council of Raaba, near Graz, to ban a proposed chip-making joint venture of OKI of Japan and Voest-Alpine, the Austrian state industrial giant.

The Greens, or ecologists, of Raaba, which has 1,500 inhabitants, blocked the venture, which would have created 1,000 jobs, with a price tag of 6 billion schillings (more than \$324 million).

Chancellor Fred Sinowatz insisted that "OKI is still very interested in keeping this project in Austria — and we also favor investment in high technology here... We found the vote shocking, too. It shows that it is easier to create obstacles than to advance."

Another cloud over foreign investment is the government's axing of an incentive program that used to give foreign investors an advance of 40 percent of the cost of new plants in Austria against future tax receipts. But this is being replaced by what Mr. Sinowatz calls "a palette of new measures."

Among them, apart from the usual job-creation grants, subsidized loans and tax deductions, Austria is offering a unique free-lease program. Under this plan, the foreign investor takes delivery of a custom-built plant without incurring debt or any effect on equity. During the initial term, the government pays for up to 30 percent of the cost of the lease.

Furthermore, there are special programs, open also to Austrian companies, for research, innovation and export promotion. Additional support is being given to companies investing in microelectronics, computer-aided design and manufacturing, biotechnology and genetic engineering, funded at 250 million schillings.

This program is now being extended to cover software. Mr. Sinowatz said next year's budget includes 15 billion schillings for investment incentives.

At last count, two dozen Austrian companies had applied for the chips plant to Voest-Alpine's parent company, Österreichische Industrie-Verwaltung AG (OIAG), ac-

cording to Oskar Grünwald, its chairman.

And foreign investors are still thinking hard about Austria, too, according to Robert F. Karl, a manager at one of OIAG's subsidiaries, Industrial Cooperation and Development Co., established in 1982 by OIAG and the Austrian government.

The free-lease program, established in June, has found no takers yet, but talks are going on with several foreign companies.

"Most foreign countries started to get new investments earlier," Mr. Karl said, "because they had unemployment problems earlier."

— VIVIAN LEWIS

Neutrality Central Feature In the National Consensus

(Continued From Page 7)

strength. The Socialists have won all presidential elections since the war. The Austrian president is largely a figurehead. But a conservative victory would be a major upset that would spell trouble for the ruling Socialists and their chancellor, Fred Sinowatz, in the subsequent parliamentary elections.

The two main political parties have dominated the scene more completely than is the case in most countries. Party membership is uncommonly high. About 1.5 million voters, more than one in every four, are party members. The Socialists alone have around 750,000 members, and the People's Party, 600,000.

But in spite of the preponderance of the parties, or perhaps because of it, the country has gone through a period of crises, a prolonged middle crisis, as one writer put it.

There have been scandals. This summer's wine scandal received the widest international attention. In addition, there was the case of Friedrich Frischenschlager, the justice minister who saw fit to welcome personally a Nazi war criminal, SS Major Walter Reder, who was released by Italy early this year after 40 years in jail. The minister, a member of the Freedom Party, was admonished by Chancellor Sinowatz but is still in office. There have been a number of cases of corruption in high places and a former finance minister, Hannes Androsch, has been accused of conflict of interest and may have to face trial.

Many Austrians have become disenchanted with their parties, politicians on both sides say.

Both the government and the opposition have leadership problems. Headlines in different publications last week called the Socialists "split" and the People's Party leadership "gutted."

The Socialists, though in power since 1970, are suffering from the fact that in 1983, the last parliamentary election, they lost their absolute majority and have been forced to enter into a coalition with a politically and ideologically incompatible partner, the Freedom Party. They are still suffering also from the acute lead-up that followed the retirement two years ago of their longtime chancellor, Bruno Kreisky, and his replacement by Mr. Sinowatz.

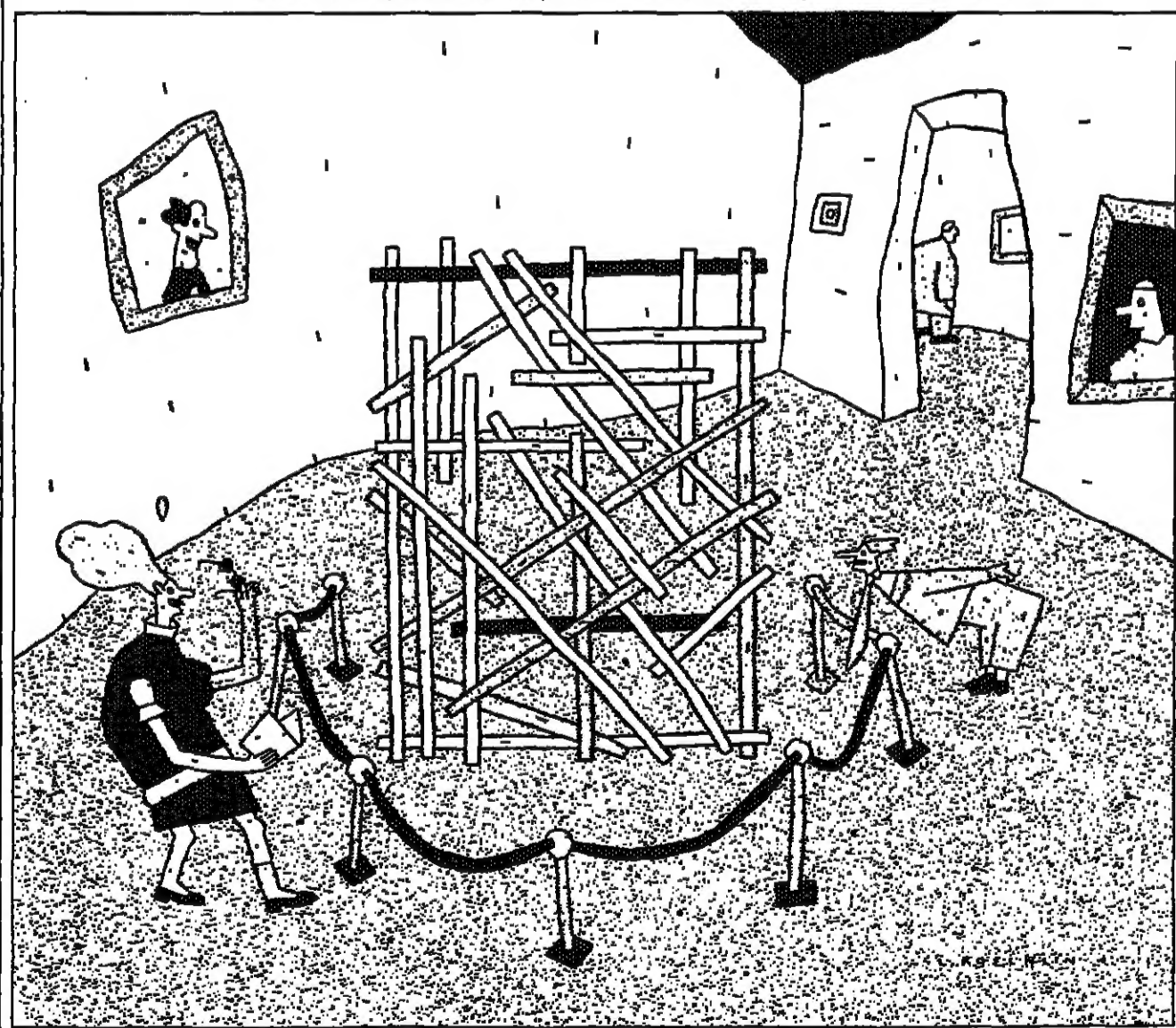
Mr. Kreisky, with his highly personal style and his well-publicized excursions into world politics in the Middle East and the Socialist International, commanded extraordinary attention at home and abroad. Mr. Sinowatz, by contrast, seems a plodding, well-intentioned and modest figure without the slightest pretense of charisma.

As for the leaders of the People's Party, they could have made their impact as Mr. Sinowatz struggled through his difficult first two years, but they failed to seize their chance.

The environment has become a prominent new issue, and several ecological groups have sprung up but failed to coalesce into a political movement. The leading parties have cranked up their own programs for the environment as a result.

There has been an erosion of public support for the parties in both camps according to all accounts, and many Austrians complain of a feeling of drift.

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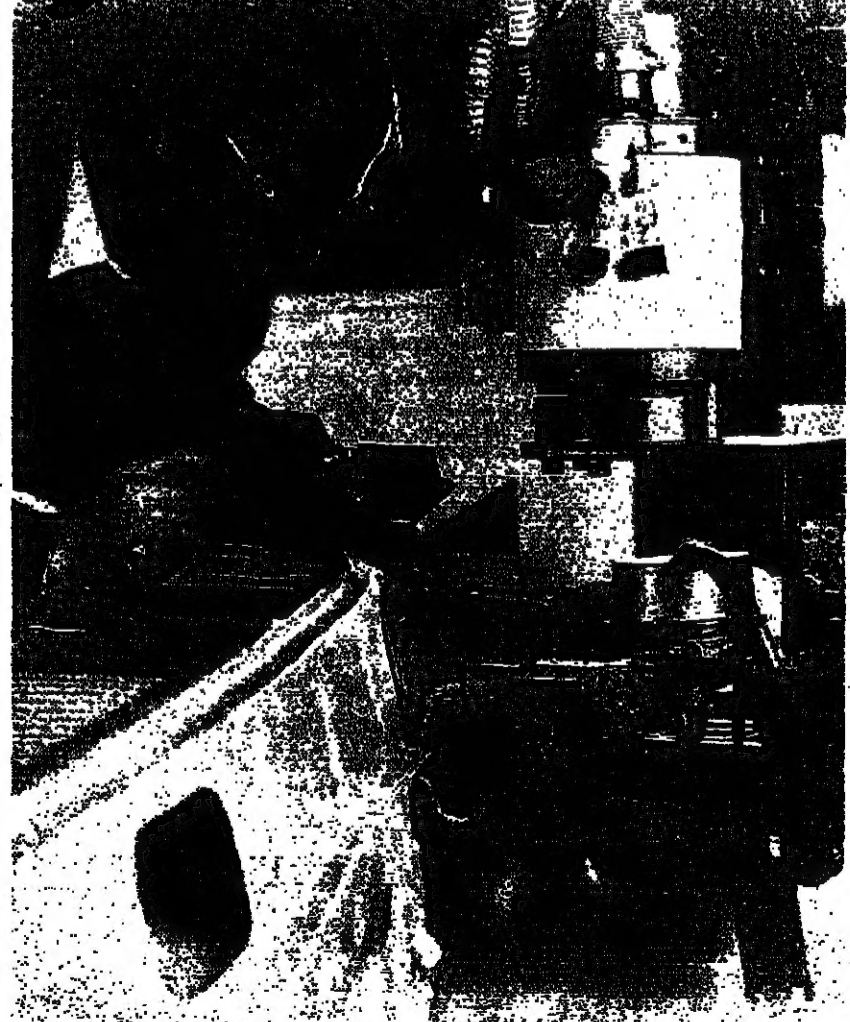


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October 25, 1985

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Maguy Marin's company in "May B."

Angst and the Human Condition Come Back to Contemporary Dance

by Anna Kisselgoff

NEW YORK—The human condition—or an examination thereof—is back in vogue in contemporary dance, and nowhere is man's fate being considered more intensely by choreographers than in West Germany, France and Japan.

Ten years ago, the idea that these countries would provide the leading new and unexpected dance currents that have begun spilling over to these shores would have seemed inconceivable. Modern dance appeared to be an American preserve, willingly farmed out abroad but unable to take root even in Western Europe before the 1970s.

And then it was apparently based upon American models.

And so it may have come as a jolt to Americans watching Pina Bausch's powerful German "dance theater" or the highly original Japanese Butoh groups to realize that completely new directions in dance could emerge from unlikely places in a comparatively short time.

The new innovators use formal devices but not formalism itself. That is, these devices are a means to express emotion. Angst has been out of style in dance for some time. It is no longer so.

Social ills as defined through personal traumas that anyone can recognize make up the leitmotifs of Bausch's work. As for the French, alienation—often conveyed in poetic terms—is a consistent theme. The Japanese Butoh groups—who named their genre after an archaic ritualistic dance form—offer a more cosmic image. They place man in a universe that must be destroyed before it can be created anew.

There is great diversity among these companies even within the same countries and within the same generalized pattern. This was obvious at the recent Festival International de Nouvelle Danse in Montreal that featured 14 experimental companies from North America and elsewhere.

New York will be seeing some of these troupes this season. The Brooklyn Academy of Music's Next Wave Festival includes, for example, women choreographers from West Germany who typify the new expressionist current there. In addition to Bausch and her Wuppertal Tanztheater, there will be New York debut for Reinhold Hoffmann with her production of "Callas" by the Bremen Tanztheater and for Susanna Linke in a program of solos.

Like studies with Mary Wigman, the pioneering figure in Germany's own modern-dance movement that went into decline after World War II, Linke is also, like Bausch and Hoffmann, a product of the Folkwang School's dance department, once headed by Kurt Jooss, in Essen.

Though these choreographers may seem to have roots in the German dance Expressionism of the 1920s, the French have less of a tradition to call their own.

One of the most talented new choreographers, Maguy Marin, will show her work for the first time in New York when she presents "May B," a dance-theater piece inspired by Samuel Beckett's plays that proved so impressive at the American Dance Festival two years ago. Marin, whose company performs in classical ballet in Toulouse and was a member of Maurice Béjart's Ballet of the

20th Century, but certainly the movement vocabulary she now employs is a far cry from her antecedents.

As for the Butoh style, the Mutoki-Sha group will be succeeded by Kazuo Ohno, a founder of Butoh, who will share a week at the Joyce Theater in November with a younger dancer, Kuniko Kishimaki.

How do these choreographers differ essentially from Americans? Are there several factors that might serve to explain the form their work has taken? It is important to note that the seminal figures in both contemporary ballet and modern dance have been working in the United States in the last 50 years. And, whether they acknowledge it or not, American dancers and choreographers are still using Martha Graham, George Balanchine, Merce Cunningham, the Judson Dance Theater of the 1960s and other major figures as reference points.

Interestingly, Antony Tudor was the only key figure in American dance who did not loom high in the consciousness of the experimentalists of the '60s and '70s. Perhaps the current trends from abroad should be entitled "Tudor's Revenge." For he is certainly acknowledged by Bausch and Jiri Kylian, leaders of the Expressionist wave in Europe.

In the United States, movement for movement's sake has been the overriding principle for choreographers seeking new directions. And they have increasingly borrowed ideas from the minimalist aesthetic in the visual arts and in music.

The situation has been different elsewhere. Entire stages in the development of modern dance—and even of ballet (as in Balanchine's pure-dance emphasis)—have been skipped abroad. Thus the formalist phase in coloring American dance is of little interest to foreign choreographers. Unlike Americans, the younger European choreographers have not felt a need to rebel against psychological themes.

An entire generation of self-taught choreographers has sprung up in experimental work abroad, and this is an entirely new phenomenon. At the Montreal festival, it was not unusual to learn that the choreographer practicing "dance theater" had started out as a filmmaker, painter or teacher of literature. As a new buzzword, "dance theater" can cover a multitude of sins.

Yet it is a perfectly descriptive term for the kind of innovative spectacles that the Butoh groups, and highly trained dancers such as Marina Abramovic, have chosen as a framework. Conventional dance movement—ballet or modern—is perceived only occasionally in such pieces. "Dance theater" opts rather for natural movement and stylized gestures to convey emotional content or human relationships.

Form, as underpinning, is very important to the best of the new work abroad. Bausch's fondness for repetition of the same gestures in different contexts is now well known. When asked if she could be attracted to working with pure form and without a need to express feeling, Bausch replies, "It's not possible to have one without the other."

This is a far cry from Merce Cunningham's view that movement in time and space carries no specific meaning. Perhaps there could be no stranger experience for an American dancer to attend the

Montreal festival in the wake of the Cunningham company's performances. Incredibly, the troupe had not danced there since the early 1960s. Suddenly, Cunningham's work appeared as both a bafflement and a revelation again, just as it had 25 years ago.

One realized how the Cunningham revolution could have passed an entire corner of the world by when a member of the audience was heard to explain to another that he should look for "pure line" rather than anything outside the movement itself.

Much in the burgeoning new dance scene in Montreal and in France seems predicated upon the idea that ignorance of previous dance history is a spur to creativity. Nonetheless, one finds Montreal choreographers such as Ginette Laurin, who uses highly physical and risky movement for both movement studies and metaphorical relationships, more sophisticated than choreographers new to dance who see "dance theater" as a projection of dramatic images they seldom deepen.

THE current trends themselves should not be viewed from an ahistorical perspective. Theatrical dance has traditionally gone through cycles that emphasize pure movement or expressive values. The formalist phase is now again yielding to the expressive. This is seen even in the United States to some degree. Yet when the American Dance Festival introduced the first major Butoh group, Dai Rakda Kan, to this country in 1982 and then, in 1983, selected five French experimental troupes for a U.S. debut, it was clear that a highly theatrical aesthetic had sprung up outside the American context.

Bausch and her German colleagues have roots in Central European modern dance, which flourished between the two World Wars. But there is no question that she has altered that basic body-language aesthetic to fit contemporary terms. The violence men and women inflict upon another, the fears and happiness that everyone experiences—these themes are distilled by her in an Expressionist manner.

The illusion of realism, paradoxically, defines Bausch's work. Dressed in real clothes and perceived as real people, the performers seem like us. But it is no surprise that the new dance trends in France find their context in a poetic Surrealism or the Theater of the Absurd.

The Butoh groups are certainly not without humor, usually dark, but they cannot be separated from the world that emerged after Hiroshima. Mutoki-Sha, a two-woman group headed by Natsu Nakajima, has even taken its name from the foghorn of a ship that evacuated Miss Nakajima from her home during World War II. In her meditation on life, "Niwa," she universalizes that personal trauma. The dancers are transformed from grotesque frightened children to aging women. Butoh remains significantly Japanese—as in Haiku, it offers a remote rather than a literal image to convey the message at hand.

A determinist could say that the sprawling free spirit of current French dance has its roots in the student upheavals of 1968 while the German and Japanese variants have emerged from the legacy of World War II. Unlike most American dance, this new dance from abroad can make us uneasy.

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Doctorow's Invented World

by Bruce Weber

TWENTY-FIVE years after the publication of his first novel, "Welcome to Hard Times," E. L. Doctorow is reminiscing about a letter from one of its readers. Set in the Dakota Territory in the latter half of the 19th century, the novel takes the form of journals written by the mayor of a tiny frontier town called Hard Times. It's a dark fable, a literary western by a serious young writer, that employs the town's tribulations—and the mayor's attempts to record them—to explore grand themes: the nature of American culture, the mortality of men and their civilization, the eternalness of art.

"The letter was from Texas," Doctorow says, "and obviously from an elderly woman, written in a shaky hand. She wrote, 'Young man, when you said that Jettie enjoyed for his dinner the roasted haunch of a prairie dog, I knew you'd never been west of the Hudson. Because the haunch of a prairie dog wouldn't fill a teaspoon.'"

Doctorow pauses and grins, the professional storyteller timing a punch line: "She had me. I'd never seen a prairie dog. So I did the only thing I could do. I wrote back and I said, 'That's true of prairie dogs today, Madam, but in the 1870s . . .'"

A small story, but it illustrates nicely the audacity Doctorow presumes as a novelist, his unrepentant subordination of fact to invention, his belief that the novelist's imagination is autonomous.

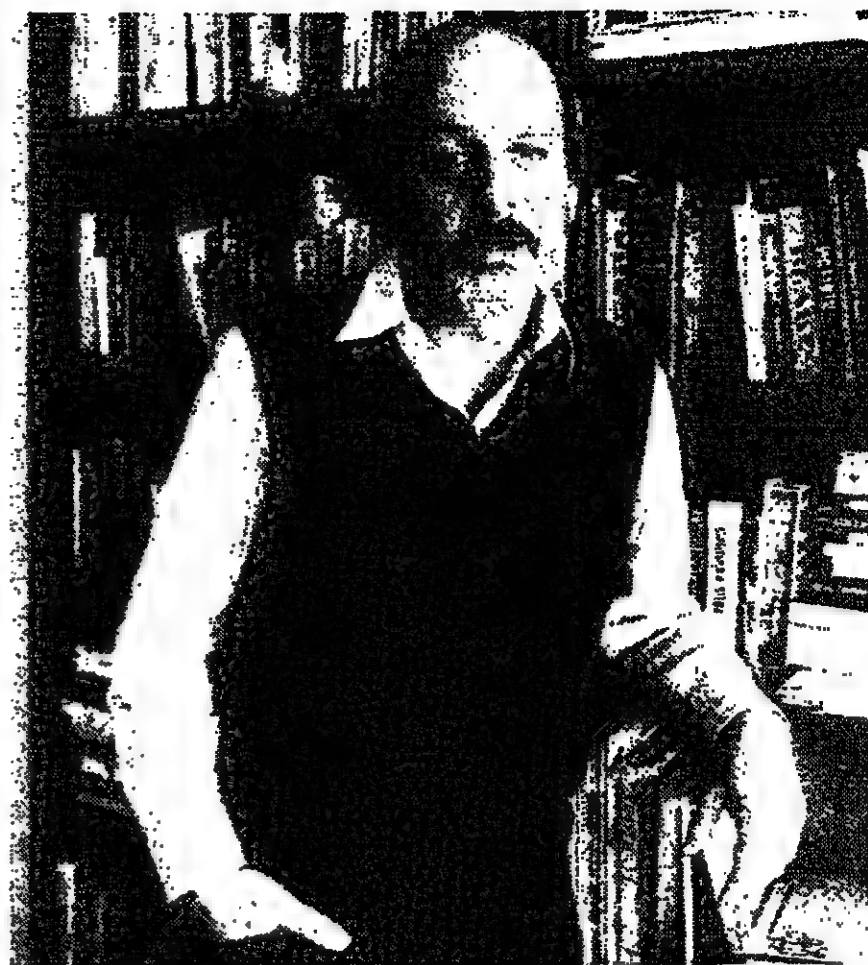
Edgar Lawrence Doctorow is 54, and on almost anyone's list he is counted among the leading dozen serious American novelists today. Although he is not simply a writer of entertainments, his books sell widely, and three—"Ragtime," "The Book of Daniel" and "Welcome to Hard Times"—have been made into movies. Readers, some critics excepted, have come to relish the blending of fact and fiction that marks his odd scrutiny of the American past. His seventh book, "World's Fair," will be published next month, and in it he narrows his historically inventive method on himself, drawing heavily on material gleaned from his 1930s boyhood. "Growing up in the Bronx, without the egg cream" is the author's slip description, but he has also called it "a portrait of the artist as a very young boy," and that is perhaps closer to what he has attempted. Although outwardly his quietest novel, "World's Fair" uses the Bronx, much as Joyce did Dublin, as a window through which to witness the tremors of a whole society.

Doctorow's diverse and unpredictable fiction is known for its juxtaposition of familiar cultural, political and historical markers with prominent fabrications. But it is marked by a narrative style that is forthright, declarative and presumptuous of verisimilitude. In "Ragtime," his chronicle of America hurtling toward World War I, Doctorow embellished his narrative with depictions of unlikely occurrences in the lives of famous people: secret meetings between Henry Ford and J. Pierpont Morgan; Freud and Jung visiting Coney Island and boating together through the Tunnel of Love; Harry Houdini's encounter with the Archduke Francis Ferdinand.

The magic of "Ragtime's" invention was persuasive enough to win for Doctorow the National Book Critics Circle Award for fiction. And the novel garnered enough notoriety to sell more than 200,000 copies in hard cover its first year; paperback reprint rights were purchased by Bantam Books for \$1,850,000, then a record figure.

DOCTOROW'S subject, to speak broadly, has been the evolution of the American perspective. He is interested in how our past is responsible for us as we are now. His novels shed their most provocative light on the contemporary world, and thus none of them could aptly be described as historical fiction in the conventional sense. "I have this concept of history as imagery," he says, "and therefore as a resource for writing. This is a very volatile society, constantly changing, enormous. Every few years, there's a great infusion of immigrants, immigrant cultures. And so it's extremely difficult to find whatever community there needs to be for a writer and readers to exist together. Somehow, I must have perceived that what we have in common is this country's history."

This is a good time for Doctorow to reflect on his craft. He has just completed "World's Fair," for which Random House has scheduled an initial printing of 100,000, the largest for any Doctorow novel. Its main narrative takes the form of a memoir, beginning with the narrator's earliest recollections of his



E. L. Doctorow.

infancy and concluding before his 10th birthday with two forward-looking visits to the futuristic World's Fair of 1939. Doctorow's sixth novel, it follows a year after "Lives of the Poets," a collection of six stories and the title novella, the latter ostensibly an examination of the mind of the man who has written the stories. In his new book, he has named the protagonist after himself, the members of the boy's family after those of his own. He sees the novel and the novella as connected, portrayals of the writer's life from the two chronological ends of it: he knows, but he says quickly that though the lives of his most recent protagonists superficially resemble his own, they are, at bottom, invented.

Doctorow's novels have, it would seem, been largely imitated. Until recently, his life has been sparsely evident in his fiction. The book before "Lives of the Poets" was "Loon Lake" (1980), the story of an enterprising drifter during the Depression. Before "Ragtime" came "The Book of Daniel" (1971), which had at its center the Rosenberg conspiracy trial of 1951.

By any standard, it is a strong output: experimental fiction that resists categorizing. "Daniel," with its exploration of American radicalism, "Loon Lake," with much of its focus on 1930s labor issues, and "Ragtime," with its indictment of a complacent upper class and its portrayal of scabrous capitalists, have caused Doctorow to be seen as ideologically allied with the political left and identified by some critics as a political novelist. He has, in fact, given time to several liberal causes, speaking recently in New York against apartheid and at a rally opposing further nuclear-arms proliferation in Chicago.

Doctorow was educated at Bronx High School of Science and Kenyon College in Gambier, Ohio, where he was a student of the critic John Crowe Ransom and a classmate of the late poet James Wright. He spent a year in the graduate program in drama at Columbia, where he met his wife, the novelist Helen Hensley, before serving in the military from 1953 to 1955. Jenny, the first of their two daughters, was born in an army hospital in Frankfurt. He had hoped, on returning to civilian life, to support his family on his mustering-out pay, while he wrote a novel. The plan proved unrealistic and he had to seek steady work, first as a reservations clerk at La Guardia Airport, and then as a reader for CBS Television and Columbia Pictures.

"I was reading a book a day and writing a synopsis," he says. "It's actually not a bad apprenticeship for a writer. You can't help but develop an editorial capability, doing that kind of work on a daily basis. It's also good for young writers to see how much bad stuff is published. It's very encouraging."

He wrote "Welcome to Hard Times" in response, he says, to all the dreadful genre novels he was exposed to, and shortly after

completing it, he went into publishing as an editor, first at New American Library, subsequently as a precocious 33-year-old editor in chief at Dial Press, and eventually the publisher there as well. "There was a wonderful sense of indeterminacy floating through that place," Doctorow says. "It was a 60-hour-a-week job, easy. And I found myself dealing with formidable literary personages—Jimmy Baldwin, Mailer, Vance Bourjaily, Tom Berger—but it was a very small, unbusinesslike place."

BY the time he had decided to leave Dial in 1968, he was at work on what would become his third novel, "The Book of Daniel." It was a decision he made with initial misgivings. "Big as Life" (1966) had been received coolly, and he was struggling with the new book. He withdrew from Dial by increments, first with a three-month leave of absence with pay, then with a second three-month leave, which he subsidized himself. By that time, he had been offered his first teaching post, at the University of California at Irvine, and he took it.

"World's Fair" reconstructs the early life of Edgar Allan Poe, now a middle-aged man attempting to put straight for himself the seminal events of his past. Edgar's chronologically ordered remembrance is the novel's central body, and it is concerned with fundamental things: first and foremost, a child's home and family; second, his initial ventures away from them. This is augmented by the commentary from Edgar's family members. We hear from several of them, the prominent exception being Edgar's father, who at the time of the memoir has been dead for years.

The narrator's voice shares qualities with the author's spoken one. They have the same quietude, the same insistent, exploratory hue. Then, too, his memoir has technique, which is to mimic in its quality of observation and deduction the maturation of a child's mind. As the young Edgar's engagement with the world at large grows, his personal revelations are informed by it with increasing frequency. Thus, his parents' squabbling over practical matters is seen in clearer light as the boy begins to perceive the cruel economics of the Depression. By the time the novel ends, he's aware of life's enormous dimensions. Earnest, baffled and healthy, he's about to be spilled into his future.

"I wrote the book on the presumption—which I realized after I started—that a child's life is morally complex," Doctorow says, "and that a child is a perception machine. A child's job is to perceive, that's his business. So the novel is the sentimental education of a kid, which simply stops at the age of 10. And I had material at hand. I grew up in the Bronx. It is true that I have an older brother Donald, a mother named Rose. We

Continued on page 13

In Raul Ruiz's Cinematic Labyrinth

PARIS—Raul Ruiz is 44 years old, a Chilean who lives in Paris and who since 1967—or perhaps it was 1960, it depends on how you count and who is counting—has made so many films that no one can reach a likely total, including Ruiz.

Last year he was in Portugal for lighting tests for his first relatively big-budget pic-

MARY BLUME

ture, "Treasure Island," and while doing the tests he made three other films as well as a three-part children's tale. While sitting in a room in a Los Angeles Holiday Inn waiting for audition actors for "Treasure Island," he wrote the scenario for another film. If sheer quantity suggests that his films are ill-made or casually tossed off, this is not true. If it suggests that they are not always easy to follow, this is certain.

His latest film, which opened to politely baffled reviews last month in four Paris movie houses, is called "L'Éveil du Pont de l'Alma," and it contains several Ruiz themes—dreams and awakenings, the transfer of personalities, magic and death. The film's star, Michael Lonsdale, said he certainly enjoyed working with Ruiz but hadn't the slightest idea what it was all about since he

was given no script but scraps of dialogue each day, which Ruiz then shot or not.

"He wrote scenes in order to get a story, the opposite of the usual way," says Chantal Poupaud, whose 13-year-old son, Melvil, has played in five Ruiz films in a relationship reminiscent of François Truffaut and Jean-Pierre Léaud.

Melvil plays Jim Hawkins in "Treasure Island." So does Jean-Pierre Léaud, who is now 41. The film includes an undisclosed number of films and the pirates have become mercenaries. It was shot in French and in English, which Ruiz does not speak, and it was co-financed by Cannon Films, the Israeli hustlers now making a dash toward artistic quality (they also financed Robert Altman's "Pool for Love") at a relatively low cost.

Ruiz sometimes makes a film for \$5,000 and says having a lot more money made no difference except that he had to use American actors such as the TV veterans Martin Landau and Vic Tayback, whom he came to like a great deal.

"American actors can be capricious, though," he says. "They actually want chains to sit in between shots."

Ruiz is amiable, round-faced and married to another Chilean filmmaker, Valeria Sarmiento. His conversation, like his films, veers in unexpected ways ("The Assumption

of the Virgin only became dogma in 1950. Eight years before Sputnik went up, she did," he remarks over a plate of couscous, piously gazing upwards), and his work is filled with untraceable allusions.

Widely unknown, he is deeply respected. Both Cahiers du Cinema and Positif, France's leading film magazines, have given him special issues and he has had retrospectives in London, Rotterdam, Avignon and Madrid. "Three Crowns of the Sailor" was the talk of the 1984 New York Film Festival. "He is a wonderful man, totally original," says Michel Ciment, a Positif editor. "He's one of the few people who always avoid cliché and whose approach is somehow parallel to our own."

ON the commercial circuit he is pretty much a flop. "None of my films does well," he says calmly. "There is a logic to them, but it drives people mad. I have a small public but it's always the same public, and half of them are professors of film." The first Ruiz film one sees makes no sense; after a few, one stops seeking a sense and suspends disbelief. The other day he held a marathon screening of the eight films he made in the year 1984. One of them was "Richard III."

"It's pure Shakespeare," he said during

the lunch break. "Except that I've given it a happy end."

The word labyrinthine is often used of his work, but this suggests a linear approach, however cockeyed. Ruiz describes his world better during lunch by outlining a rectangle on the tablecloth and quickly tracing diagonals and aborted little tracks within it. "He draws on all sorts of references, whatever he has in his head at the time," says Pierre Hodgson, who worked on the script for "Treasure Island" from Ruiz's outline. Hodgson noted references to Herman Melville's "Benito Cereno" in "Treasure Island." Ruiz also cites an Iranian novel and G. K. Chesterton, whom he loves ("the more you read Chesterton, the more you like Ruiz's films, and vice versa," says Cahiers du Cinema). In essence, says Hodgson, in an understandable cop-out, "Treasure Island" is a tribute to Robert Louis Stevenson. "You can see copies of the book lying about. The characters are playing a game around Stevenson."

In Chile, Ruiz studied law, cinema and theology. A supporter of Salvador Allende, he was also accused of rightist views when he criticized aspects of the Allende regime. After Allende's murder, he fled to France, having received death threats, and his life in Paris was at first complicated by the fact that a Brazilian director chum, when high on



Raul Ruiz.

drugs, used to call the police and state that Ruiz was in fact the terrorist Carlos.

Like many Latin American artists, Ruiz is greatly influenced by British and American literature. "Faulkner and Henry James have the widest influence on Latin Americans. It is a way of escaping from Spanish culture which is so narrow, so realistic—there is nothing more anti-magical."

The frame of reference he brings to his work is too wide to permit the tracing of

allusions. A short documentary on the Loire château of Chambord included studies of the château as seen through the eyes of a medieval Thomist and the German philosopher Fichte. His inspirations range from Max Beerbohm's "Enoch Soames" to Margaret Mead. His technical virtuosity is stunning. In Paris, he feels the pain of exile but also he warns of its dangers. Contrary to what Brecht said, exile inspires forgetfulness of

Continued on page 13

TRAVEL

Restoring Timeless Istanbul

by Henry Kamm

ISTANBUL — The Bosphorus continues to flow between green hills studded with mansions, separating not only the halves of a city but also two continents. This gives, as it has done for generations of travelers on its powerful currents, an altogether exceptional sense of immersion in the civilizations that have crossed back and forth between Europe and Asia, altering and enriching one another.

The timeless splendors of the churches of St. Sophia and St. Saviour in Chora, the Blue Mosque, the Mosque of Suleiman the Magnificent and Topkapi Palace are what they always were, each the goal of countless visitors through the centuries. This great city, akin to Jerusalem and Rome, enfolds the foreigner with a consciousness of the continuity of a singular history that has deeply marked the shape of our world.

It is as though nothing essential has changed in Istanbul, and yet this huge city of undefined boundaries grows constantly, the quality of its life declining as it spreads. For those who have bemoaned the sprawl of uncontrolled industry, which has turned the fabled Golden Horn into a cesspool and made the city painfully overcrowded and too often ramshackle, there is cheer in an unusual restoration project conducted by the Touring and Automobile Association, a semi-public body with the goal of bringing back beauty gone to seed.

For the tourist, the project — a brainchild of the association's director general, Celik

Gulersoy — provides a variety of sights that enhance a visit to Istanbul and make it more pleasurable by adding comfort where there was none. It offers such material benefits as an exceptionally beautiful hotel and several pleasant places for a bite to eat or to rest sightseers feet before continuing the conquest of the city.

The Church of St. Saviour in Chora, along with St. Sophia, the finest flower of Byzantine art, is a veritable museum of late Byzantine art, its remarkably well-preserved mosaics and frescoes, uncovered and restored by the Byzantine Institute of the United States in the 1950s, dates from the early 14th century.

Since the Touring Association began its restorations in the late 1970s, the section in which the church is situated has become by itself worth a visit. The Ottoman residential houses surrounding the church, known to taxi drivers by its Turkish name of Kariye Camii, have been beautifully renovated and repainted in pastel colors, and continue to be inhabited by their original tenants.

A ground-floor shop in the house directly opposite the church entrance has been made into a coffee, tea and pastry shop called the Pudding House. The equivalent of about 75 cents buys a sweet Turkish milk pudding; for about \$1 one can have coffee or tea with it. The square in front of the church has been closed to traffic and a garden terrace installed, where in the shade of trees the shop's specialties can be sampled. The yard behind the church has been converted into an idyllic garden, where one can rest after being stung by the brilliance of the church's interior.

Mosaics dazzlingly depict the lives of Christ and the Virgin, particularly the majestic Christ Pantocrator directly over the door that leads from the outer to the inner narthex. And there is a strength and tenderness in the marvelous frescoes, which are in a burial chapel on the extreme right of the church. The church is open from 9:30 A.M. until 4:30 P.M., but does not celebrate a woman but Divine Wisdom, in Greek, has been restored many times but remains largely what it was in 537, when it was dedicated. Its enormous volume, sustained by buttresses added in the 14th century, and marked by minarets added at each corner after the Byzantine church became a mosque in 1453, awes even after repeated visits. The 14th-century mosaic of Christ flanked by the Virgin Mary and St. John the Baptist in the right-hand gallery can be seen many times and still be moving.

The Mosque of Suleiman (1557) and the Blue Mosque (1616) — the latter's formal name is the Mosque of Sultan Ahmet I — are the most famous of the imperial mosques. Both are magnificent, but if a visitor has time for only one, Suleiman would be a good choice, for the splendor of its courtyard setting. The Topkapi Palace Museum gives a sense of the grandeur in which the Ottoman sultans lived. But for me, the palace's principal attractions are its collections of Chinese porcelains and Persian and Turkish miniatures.

RIGHT off the Bosphorus Bridge, atop Camlica Hill, the Touring Association has brought to new life a formerly popular excursion spot that had fallen into neglect and disrepair. Starting with thousands of tons of soil brought from elsewhere, planting hundreds of trees, acres of lawn and flower beds, Gulersoy's team of architects, planners and landscapers created a pleasure park that recalls an era when Istanbul people came to the hill for a rustic outing.

Horse and bullock carts rebuilt in the style of the last century are available for leisurely rides along a path that presents marvelous views of the Bosphorus and its ever-flowing, varied traffic of Soviet, Romanian and Bulgarian freighters and occasional naval vessels, sometimes incongruously sailing past the modest boat owned by the U.S. Consulate General, Turkish fishing boats and pleasure craft, water-skiers and swimmers.

Two restaurants serve light meals and refreshments, and seven kiosks are scattered about offering snacks and drinks. The same simple menus and modest prices as at the other Touring Association projects prevail. A little farther up the hill, the association has restored the magnificent Art Nouveau summer palace of the last khedive and installed a restaurant and some hotel rooms.

The great Covered Bazaar is on every tourist's itinerary, and it deserves such attention for its animated atmosphere, which proves that commerce is a form of civilization, and for the richness of temptations in carpets and kilims, copper and brassware, bangles and baubles.

But no place in Istanbul is livelier and more unexplored — may Gulersoy never think of it — than the bazaar known to Turks as Misir Carsisi or the Egyptian Market, and to tourists as the Spice Market. Spice it sells, and in great quantity, but that is only the beginning. One can also buy everything that needs to be spiced, including the original Turkish version of what New Yorkers somehow believe to be a Romanian Jewish specialty, Pastrami, or as the original Turkish name has it, pastirma, is in fact a spiced meat that the Turks brought to Romania when they ruled that country and Romanian Jews contributed to American gastronomy when they immigrated.

Meats and cakes, honey and pistachios,



Street scene on Istiklal Caddesi.

in a section dominated by the New Mosque, which dates from the 17th century.

In fact, the entire neighborhood is a bustling and noisy market, quarter devoted to getting and spending, which rewards a stroll with many smiles directed at foreigners, joking invitations to buy things that tourists don't use and offers to sample the wares.

The atmosphere is authentic, there is surprisingly little jostling, and there is no better way of taking the pulse of the city.

ABOVE the entrance to the Spice Market, Pandeli Restaurant serves excellent traditional Turkish cuisine, but only lunch. Sea bass in parchment is a specialty, and the choice of baklava and other sticky Turkish desserts, with names less known to Westerners, is impressive. (Count about \$35 for two; tel. 527.3909).

Excellent fish dishes, as well as fish and

candied fruit and every other form of Turkish delight are neatly stored in tiny shops that each contain more than they seem capable of holding without bursting. The sellers are happy to explain, in scraps of foreign tongues amplified by sign language, the sometimes mysterious contents of their bins and jars, or to mix on request specific herb medicines for anything that might ail the customer.

The market is remarkably free of the three scourges that have marred many visits to Middle Eastern marketplaces — dirt, dishonesty and aggressively clinging sellers. Everything is relatively inexpensive, and spending \$5 can provide a morning or afternoon on fun, along with a few packages to take home.

The Spice Market is at the Stamboul end of the Galata Bridge over the Golden Horn, vegetable hor d'oeuvres, are traditional in

the waterside row of restaurants at Arnavutkoy, on the European side of the Bosphorus. The atmosphere, including violin and piano music, is nice at Antik (tel. 163.6627), where for two will run about \$30, as it will at the pleasant Bebek Hotel restaurant (163.300), where the sunken dining room puts the diner roughly at water level. The terrace is a traditional meeting place for a drink.

The Haci Baba (49 Istiklal Caddesi, tel. 144.1886), in the Taksim district, where most of the best modern hotels are situated, serves a great variety of well-prepared traditional Ottoman dishes. Entrees — eggplant and lamb are particularly recommended — are chosen by sight without benefit of menu; the tab can run as low as \$15 for two. The pleasant garden of an Orthodox church, on which the restaurant's terrace faces, is an added benefit in a noisy downtown district.

The association's most direct contribution to tourism is the Konak Hotel (Sultanahmet; tel. 528.6764, 51.150 or 51.151; \$32 single, \$43 or \$55 double), a luxurious conversion of a 19th-century wooden mansion into a stylishly furnished hotel. The green-and-white mansion stands within easy walking distance of St. Sophia and the Blue Mosque. Breakfast and drinks are served in a shady rear garden centering on a marble fountain transferred from a palace in Yildiz Park.

The Istanbul Hilton (Cumhuriyet Caddesi, tel. 146.7050) is one of the best in the chain. Half of its rooms face the Bosphorus, and their balconies provide one of the most stimulating views anywhere. A double costs \$77 to \$100.

The Sheraton (Taksim Partii, tel. 148.9000) offers similar comfort in the same neighborhood, but farther from the Bosphorus. Doubles are \$80 to \$110. The nighttime view from its terrace over the illuminated mosques and palaces is splendid.

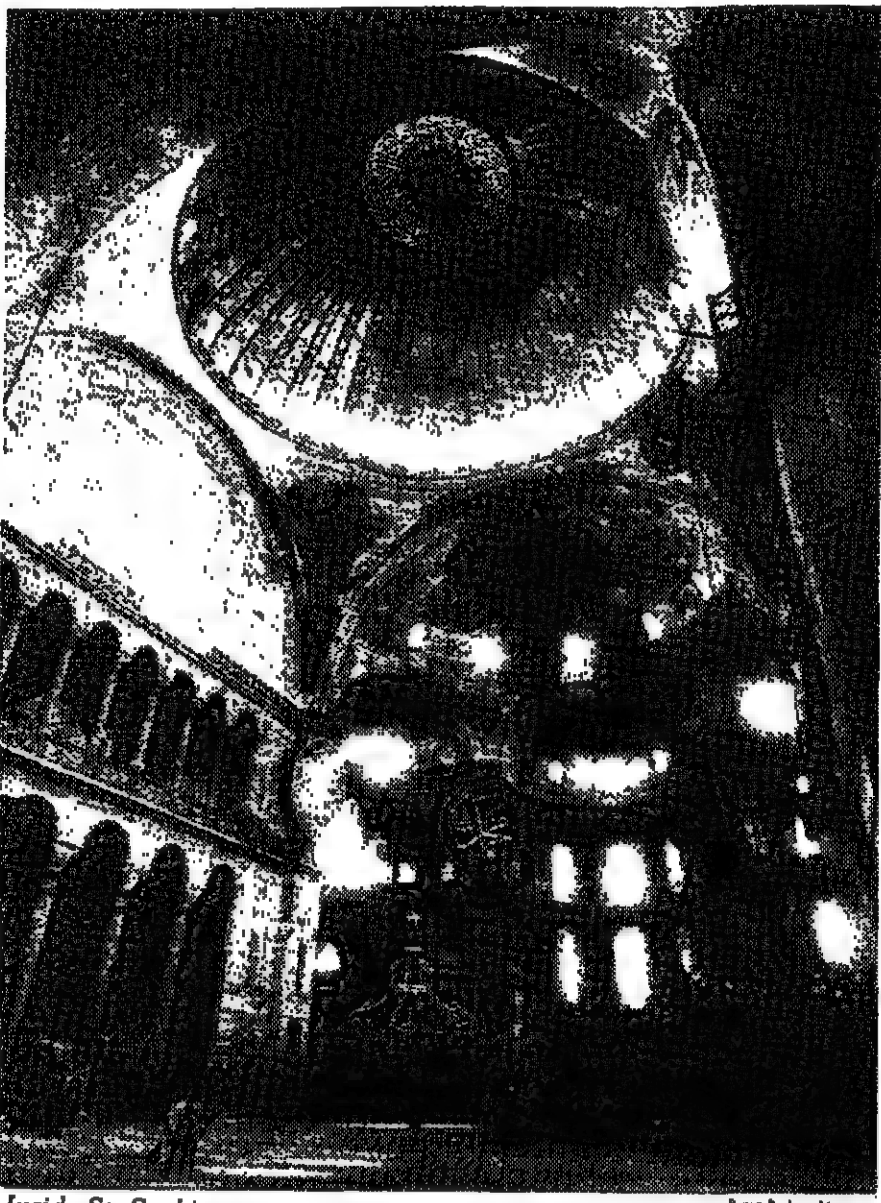
The Divan (Cumhuriyet Caddesi, tel. 146.4020) is also in the same district. Doubles run from \$33 to \$62.

The Macka Hotel (35 Eytam Caddesi, tel. 140.1053) is modern, not far from the Bosphorus and charges \$38 for a double.

Traditionalists prefer the Pera Palas, once the most fashionable hotel of Istanbul; it was recently renovated and it is downtown, next to the U.S. Consulate General, at 98 Mesrutiyet Caddesi (tel. 145.2230). A double costs \$35.

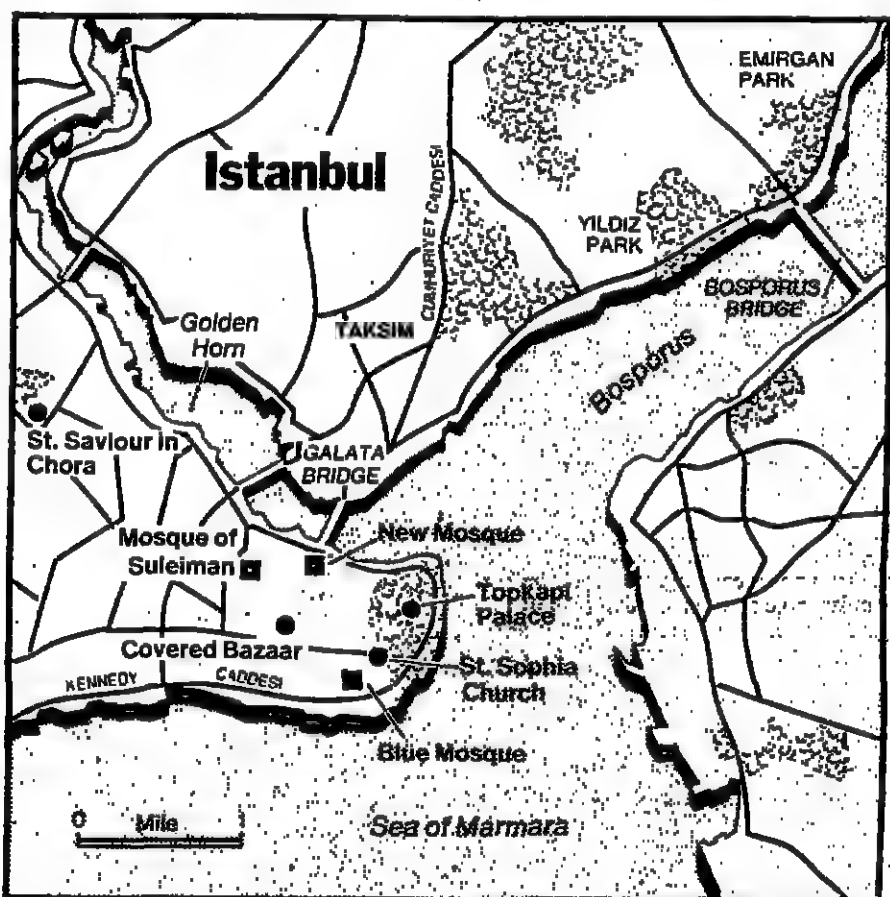
The Touring Association has published a brochure that can be obtained by writing to 364 Sisi Meydani, Istanbul.

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Inside St. Sophia.

Ivano Borbey, Magnum



The New York Times

INTERNATIONAL DATEBOOK

AUSTRIA

VIENNA, Bösendorfer Hall (tel. 65.66.51).

RECEIPTS — Oct. 28: Sylvia Sagmeister piano (Beethoven, Ravel).

Oct. 29: Pier Luigi Corona guitar (Albeniz, Fagnini).

CONCERTS — Oct. 26 and 27: Vienna Symphony Orchestra, Wolfgang Sawallisch conductor (Schumann, Strauss), Vienna Chamber Orchestra, Philippe Entremont conductor, Josef Feghali piano (Haydn, Mozart).

Oct. 29: The Chamber Orchestra of

Europe, Heinz Holliger conductor (Berg).

Oct. 31: London Symphony Orchestra, Claudio Abbado conductor, Maria Ewing soprano (Mahler, Berg).

Nov. 1: ORF Symphony Orchestra, Andrew Davis conductor, Julia Vardady soprano (Britten), London Symphony Orchestra, Pierre Boulez conductor, Hanna Schwarz alto (Schubert).

RECEIPTS — Oct. 27: Käte Wirtlich, Piano (Berg).

●Musikverein (tel. 65.81.90).

CONCERTS — Oct. 26: Vienna Philharmonic Orchestra, Leonard Bernstein conductor (Schumann).

Oct. 27: Tonkünstler Orchestra, Rolf

Reuter conductor (Mahler, Schumann).

Oct. 28: I Solisti Venedi, Claudio Scimone conductor (Rossini, Vivaldi).

Oct. 30: Küch Quartet, Helmut Deutsch piano (Brahms, Schumann).

●Staatsoper (tel. 532.40).

BALLET — Oct. 30: "Daphnis and Chloé" (Fokine, Ravel).

OPERA — Oct. 25: "Lohengrin" (Wagner).

Oct. 26 and 29: "Don Giovanni" (Mozart).

Oct. 31: "The Knights of the Rose" (Strauss).

●Musée Carnavalet (tel. 42.72.11.13).

EXHIBITION — To Oct. 27: "Les Grands Boulevards de Paris."

●Musée du Grand Palais (tel. 42.61.54.10).

EXHIBITIONS — To Nov. 3: "Salon D'Automne."

To Dec. 16: "Sir Joshua Reynolds: 1725-1792."

To Jan. 6: "La Gloire de Victor Hugo."

●Musée du Louvre (tel. 42.60.39.26).

EXHIBITION — To Jan. 6: "Le Brun à Versailles."

●Opera (tel. 742.57.50).

BALLET — Oct. 28, 30, Nov. 1: "Swan Lake" (Bourmeister, Tchaikovsky).

OPERA — Oct. 26, 29, 31: "Iphigénie en Tauride" (Gluck).

●Salle Pleyel (tel. 45.63.07.86).

CONCERT — Oct. 30: Orchestre de Paris, Zubin Mehta conductor (Shubert, Shankar).

●Théâtre de la Ville (tel. 42.74.22.77).

JAZZ — Oct. 29: Memphis Slim, Jean-Paul Amoureux, Dave Brubeck Quartet.

●Théâtre du Rond-Point (tel. 42.56.70.30).

RECEIPTS — Oct. 27: Antonio Meneses cel., Franz Massinger piano (Beethoven, Brahms).

IRELAND

DUBLIN, Abbey Theatre (tel. 744.505).

THEATRE — Through October: "Souper Sullivan" (Hart).

●Douglas Hyde Gallery (tel. 77.29.41).

EXHIBITION — To Oct. 27: "Sources."

●Dublin Civic Museum (tel. 77.16.42).

EXHIBITION — Through October: "18th Century Popular Music in Dublin."

●Gate Theatre (tel. 74.40.45).

THEATRE — Through October: "The Mask of Moby-Dick" (Leonard).

●Hendrick Gallery (tel. 76.60.62).

EXHIBITION — Oct. 25-Nov. 15: "T.P. Flanagan."

●National Concert Hall (tel. 71.13.33).

CONCERT — Oct. 30: RTE Concert Orchestra, Gareth Hudson conductor.

RECEIPTS — Oct. 31: Aylish Kerrigan soprano, Seoirse Bodley piano.

●Rijksmuseum (tel. 73.21.21).

EXHIBITION — To Jan. 26: "Spanish Masters" (El Greco, Murillo, Velasquez).

SCOTLAND

EDINBURGH, National Museum of Antiquities of Scotland (tel. 527.35.50).

EXHIBITION — To Nov. 3: "I Am Come Home: Treasures of Primo Charles Edward Stuart."

GLASGOW, Theatre Royal (tel. 331.12.34).

OPERA — Oct. 26: "Oberon" (von Weber).

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BELGIUM

BRUSSELS, Musée de Costumes et Dentelle (tel. 511.27.42).

EXHIBITION — To Nov. 1: "Opera Costumes from 1959 to the Present."

●Palais des Beaux-Arts (tel. 512.50.45).

EXHIBITION — To Dec. 22: "Spanish Splendors and Belgian Villages, 1500-1700."

●Musées Royaux des Beaux-Arts de Belgique (tel. 513.55.46).

EXHIBITION — To Dec. 22: "Goya."

●Musées Royaux d'Art et d'Histoire (tel. 733.96.10).

EXHIBITION — To Dec. 22: "Los Iberos."

ENGLAND

MANCHESTER, Palace Theatre (tel. 236.99.22).

OPERA — Oct. 29 and Nov. 1: "Carmen" (Bizet).

Oct. 30: "Idomeneo" (Mozart).

Oct. 31: "A Midsummer Night's Dream" (Britten).

LONDON, Barbican Centre (tel. 638.41.41).

CONCERTS — London Symphony Orchestra — Oct. 26: Claudio Abbado conductor, Rudolf Serkin piano (Beethoven, Mozart).

Sept. 28: Gerard Schwarz conductor, Pierre Amoyal violin (Stravinsky).

Oct. 27: Royal Philharmonic Orchestra, Sir Charles Groves conductor, Ramzi Yassa piano (Tchaikovsky, Dvorak).

EXHIBITIONS — To Nov. 3: "Egyptian Landscapes: Weaving from the School of Ramses Wissa Wassef."

●Roderic O'Connor, "Vera Cunningham and Matthew Smith," "Gwen John."

JAZZ — Oct. 30: Dave Brubeck.

THEATRE — To Oct. 31: "Les Millechies" (Hugo, Musical Adaptation: Bouhail and Schönberg).

●British Museum (tel. 636.15.55).

EXHIBITION — To Jan. 1986: "Buddhism: Art and Faith."

●London Coliseum (tel. 836.01.11).

OPERA — Oct. 25, 28, 31: "Don Carlos" (Verdi).

Oct. 26: "Rigoletto" (Verdi).

Oct. 29: "Faust" (Gounod).

FRANCE

PARIS, American Center (tel. 43.35.21.50).

EXHIBITION — To Nov. 30: "William T. Wiley California I."

●Centre Culturel Chailou-Galliera (tel. 47.20.71.50).

EXHIBITION — To Nov. 5: "Henri Serres and Claude Vallet."

●Centre Georges Pompidou (tel. 42.77.12.33).

EXHIBITIONS — To Nov. 11: "Raymond Mason, Jean-Michel Alberola, Viswanadham, Gulham, Mohamed Said."

To Dec. 16: "Matia."

To Jan. 1: "Kloe et la Musique."

●Eglise St. Severin (tel. 47.64.15.28).

RECEIPTS — Oct. 29: Andre Isoir organ (Bach).

●Galerie Guigné (tel. 42.66.66.88).

EXHIBITION — TO NOV. 23: "Comme."

●Galerie Isy Brahot (tel. 43.54.22.40).

EXHIBITION — To Oct. 31: "John de Andrea."

●Galerie Lahumière (tel. 47.63.03.95).

EXHIBITION — To Oct. 30: "Andre Masson."

●Hôtel Méridien (tel. 47.58.12.30).

JAZZ — Oct. 28-Nov. 16: Wild Bill Davis.

●Le Petit Journal (tel. 43.26.28.59).

JAZZ — Oct. 28: The Blue Doctors.

Oct. 29: Patrick Sautouss Swing Quartet.

To Dec. 16: "Watergate Seven + One."

●Le Petit Opportun (tel. 42.36.01.36).

JAZZ — Oct. 29: Coaritus Alvim, Jean-François Jenny Clarke, Andre Coenraet.

●Musée d'Art Moderne (tel. 47.23.61.27).

EXHIBITIONS — To Jan. 5: "Vera Sackley," "Modern Masters from the Thyssen-Bornemisza Collection."

GERMANY

BERLIN, Deutsche Oper (tel. 34.14.49).

Nov. 1: "Wozzeck" (Berg).

●Philharmonie (tel. 25.48.8-0).

CONCERT — Oct. 27: Berlin Symphony Orchestra, Borislav Iwanov, Tomislav Baynov piano (Gershwin).

JAZZ — Nov. 1: Miles Davis.

COLOGNE, Oper der Stadt (tel. 21.25.81).

OPERA — Oct. 26: "La Gazza Ladra" (Rossini).

Oct. 27: "Lucia di Lammermoor" (Donizetti).

FRANKFURT, Café Theater (tel. 77.74.66).

HUNGARY

BOLOGNA, Galleria d'Arte Moderna (tel. 50.28.59).

EXHIBITION — To Nov. 30: "Luigi Bertelli."

●Teatro delle Celebrazioni (tel. 22.29.99).

NETHERLANDS

AMSTERDAM, Concertgebouw (tel. 71.83.45).

CONCERTS — Concertgebouw Orchestra — Oct. 26 and 27: Bernard Haitink conductor, Faye Robinson soprano (Britten).

Oct. 30 and 31: Vladimir Ashkenazy conductor (Debussy, Prokofiev).

Oct. 26: Alban Berg Quartet, Elisabeth Leonskaja piano (Schubert).

Oct. 28: Schöenberg Quartet (Berg, Webern).

RECEIPTS — Oct. 27: Jean Philippe Collard piano (Debussy, Ravel).

Oct. 29: Joseph Swensen viola, Lily Funahashi piano (Beethoven, Brahms).

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FOR FUN AND PROFIT

Methods of Categorizing The Independent Traveler

by Roger Collis

KNOW THYSELF is the lapidary advice on the temple of Apollo at Delphi. In present day travel terms, this means deciding whether you are an adventurer, an elitist, a gray panther or a business extender. Depending on where you go and what you want to do, you may also play the role of aspiring explorer, seasoned traveler or maybe even gay tourist. The common denominator is that you are at bottom an independent traveler with contemporary values.

If you recognize yourself, here's good news. In the future, you're likely to have more discriminate appeals for your travel dollar and find more opportunities for a magical mystery tour of the Europe you always knew was there, but were never quite able to discover.

These somewhat delphic definitions are part of a conscious-raising program among U.S. travelers to Europe and the travel trade on both sides of the Atlantic. The idea is to identify opportunities for affluent, independent travelers to enjoy a different kind of European vacation—away from the logjam of city centers in the peak season (June-September) to more unspoiled destinations in the shoulder seasons, such as the English Cotswolds in May and Provence in the fall, when the natives are likely to be less fractious and provide better service.

The program emanates from a research study carried out last April by Dunham & Marcus, a New York consulting firm, on behalf of American Express. This concluded that while growing numbers of Americans are looking for new, more contemporary values of "fun and relaxation, self-indulgence, health and discovery," Europe is still communicating the more traditional benefits of "history, old buildings and monuments, education and conducted sightseeing."

According to Christopher Rodriguez, London-based American Express division vice-president for Europe, Middle East and Africa, there are five main categories of "independent" travelers who share "contemporary" values:

- **Special-interest travelers**—people who go only on issues linked to a particular interest, such as food and wine, Renaissance paintings or archaeology.
- **Adventurers**—the young (25-35) up-and-coming, who backpacked at college, love traveling, look for immersion in new cultures, "who might say, Nepal is getting too touristy these days." Their gold standard is almost to get lost in a country, "to be at the edge of being out of control." In business terms, these would be fast-track executives earning \$35,000 and more.
- **Elitists**—older and more affluent, who travel throughout the year to the less traditional tourist centers. They enjoy the good life of the big cities, stay in the top business hotels, "but will seek out a truly splendid place at the weekend, of the Relais-Chateau type." They may have children out of the home and so be free to bring their spouses.
- **Gray Panthers**—the affluent retired. They have the time, money and inclination to take long vacations. Seasoned travelers who "like to combine old world elegance with contemporary flair."
- **Business Extenders**—frequent business travelers who like to extend their trip by adding on a few days vacation. Typically, they are 40 plus, self-employed or corporate executives earning over \$50,000, or they come to Europe four or five times a year and take off the middle weekend of a 10-day trip for unstructured forays to indulge hobbies and interests. They have "a strong success ethic; they believe that to work hard and to play hard is an integral part of their business travel experience." Their attitude is that Europe is a great place to do business because

Of adventurers, extenders and gray panthers

the first time and may find that a guided bus tour is the best way to cover an unfamiliar place in a short period. The trick is to know which hat you're wearing and explain that to the travel agent."

American Express provides some useful help along the way with its "Independent Traveler's Guide to Europe." This features five city guides for London, Stockholm, Munich, Paris and Rome and provides ample scope for role playing. There is plenty of advice on hotels, shopping and recreation along with a smorgasbord of ideas for short breaks in the provinces. For example, in France, there are some good itineraries for Alsace, Brittany and Provence; in West Germany, to Regensburg and the Berchtesgaden and Oberammergau mountains.

Rodriguez gives two examples of how business extenders have used the guide. A U.S. car distributor visiting a manufacturer in Munich found he had a free weekend, so he rented a car, chose a hotel and drove up to the Oberammergau in the Bavarian highlands. A woman executive who runs a research company in New York wanted to do her own thing in London. The hotel where she was staying suggested taking a driver for a day. "This is not what the independent traveler wants to do, they like to be in control of their own destiny," Rodriguez says. "So she ended up taking British Rail from Paddington, found a hotel in the Cotswolds and had lunch in the village of Broadway."

Rodriguez admits that for the business extender, "the travel trade hasn't quite caught up with you yet. You may have to do a fair amount of legwork on your own." One suggestion, if you like a certain style of hotel, is to ask the concierge whether there are similar hotels in other destinations. The same applies to restaurants. Many establishments unite in affinity groups. For example, there is a West of England Country House and Hotel Association. Then there's the Chateau-Accueil group of French country hotels. Another is the Romantica group in Germany and Switzerland, all hotels personally run by the owner. Many can rental firms offer packages where you can zoom off in a Porsche 911 for a weekend.

The only problem seems to be that if American Express gives all the good ideas away to its cardholders, where is the scope for the true business extender, who is by definition the quintessential independent traveler?

Cajun, Creole and Cooking Tradition

by Mark J. Kurlansky

NEW IBERIA, Louisiana—Southern Louisiana is different from the rest of the United States. In fact, it is different from the rest of Louisiana. Time is measured differently. When they speak of "the war," it is as likely to mean the American Civil War as World War II.

This is the Old South, with mossy swaying like chiffon from its branches. The ambitious New South has passed this corner by. People here seem content to attract more tourists than industrialists and show off the traditions they long enjoyed.

One of these traditions, the cuisine, has become the hottest thing among modern American food phenomena. It may be a tad in New York, Washington and San Francisco, but here it is a deeply rooted way of life. It is the one part of the United States where cooks do not have a compulsion to connect.

Change comes through evolution and not by whim. Old techniques and recipes are revered in Louisiana, where cooks still stir in homes and restaurants eight-hour preparations based on French techniques that few French chefs care to remember.

There are three separate cuisines—northern Cajun, southern Cajun and Creole. While the three are increasingly merging in restaurants, locals say they remain distinct in homes.

The Cajuns were French settlers in Nova Scotia who fled Canada in the 18th century after Wolfe defeated Montcalm. They took with them a coastal people's love of seafood and a rich gastronomic tradition derived from some of the most celebrated regions of France.

Those who settled to the south, by the bayous, rivers, marshes and salt water channels, replaced lobster and other Canadian catch with crayfish, crabs, and oysters, which are put in meticulously seasoned stews called étouffées, rice dishes and soups.

A type of channel bass known here as redfish has become in demand in fish stores all over America because of the popularity of blackened redfish—fillets in hot peppers and herbs quickly blackened in butter on a white-hot cast iron pan.

Another local inland saltwater fish listed on Louisiana menus as speckled trout, or just trout, resembles the well known freshwater fish, but with a wider grain to its delicate white meat. Alex Patout, owner-chef of a restaurant here in the quiet town of New Iberia, bakes it wrapped in bacon. This dish, typical of a new generation of Cajun cooks, is a light blend not only of two contrasting ingredients, but one from each Cajun region.

The northern Cajuns did not have the seafood of the Cajuns 10 miles to the south and continued a cuisine based on the

French pork charcuterie tradition of smoked hams, hog's head, boudin (blood sausage) and a smoked chitterling (pig intestine) sausage called andouille, cousin to the French sausage of the same name.

With little communication, Cajun food used to be so localized in this remote, swampy country that food varied not only from north to south, but every mile.

Because of its reliance on very fresh products from the immediate vicinity, Cajun cooking can only be commercialized by restaurants at considerable cost. Patout has five farmers under contract to his restaurant.

"The biggest problem," said the 32-year-old Patout, who started his restaurant with his sister Gigi in 1979, "is to compete against the cooking people are doing in their homes."

The locals are regular restaurant-goers but tough critics. Patout, who is acquiring a national reputation, admits, "If I do well, it will not be from local support. It will be from outsiders."

CREOLE is the grand cuisine of New Orleans. It is cooking for restaurants of old-fashioned elegance, lighter and finer than Cajun but with many of the same ingredients. It was developed by black cooks who did their own variations on French, Spanish, English—whatever flag was flying in New Orleans at the moment.

Both Creole and Cajun have become incredible hedgepods of culture that linguists and food historians may never sort out. The word for jambalaya, a northern Cajun, spicy, tomato-rice dish with cured and fresh meats, comes from *jambon à la ya*, from the French for ham and an African term for rice.

Green onions are called shallots and a soup based on the French term court-bouillon is called kabbilan.

A squishy vegetable called vegetable pear in English, although rarely called anything by English-speaking people, is here called mirliton, which used to be a cream-filled pastry in France. The vegetable is hollowed and stuffed with a spicy mixture and baked.

Like the chili pepper, the vegetable pear probably came from Mexico, where it is a common Indian product called chayote. Chili peppers were introduced from the Mexican Caribbean coast of Tabasco, where they have been a basic ingredient since Mayan times. The five locally grown species are blended into most Louisiana dishes. Chilis are also aged like bourbon for five years in white oak barrels at Avery Island and sold around the world as Tabasco sauce.

The vegetable okra thickens soups and sauces here as does a powder called filé, made from herbs and sassafras. But the base of all cooking is an old French technique—the roux. A roux is made by cooking flour with fat. Some roux takes four hours of cooking, then is blended with a stock that is cooked longer. Then it is cooked some more.

Not only is such a process costly to the modern restaurant, but Louisiana chefs have to address the fact that heavy cuisine has fallen from favor. Most French chefs have opted for lighter and quicker approaches.

Some Louisiana restaurants are not about to change for trendy visitors. Antoine's, in its crystal 19th-century elegance, is such a New Orleans institution. It has been owned by the same family since 1840 and its fifth-generation proprietor, Bernard R. Guste says, "If you are going to make something good down here, it always begins with a stock and then a roux."

Not that they do not invent a new dish every decade or so. In 1889, lacking escargots for a last-minute banquet, chef Jules Alcatoire devised a peppery green herb sauce and put it over slightly heated oysters. Arbitrarily naming it after the period's most famous millionaire, it became celebrated as oysters Rockefeller, and although imitated around the world, Antoine's will not reveal its recipe.

Other restaurants change faster than Antoine's, which in spite of its fame says that 70 percent of its clients are local. The best known Cajun in America is Paul Prudhomme who looks for ways to shorten cooking, which in part accounts for the tremendous success of his cookbook. He also slips in outside elements from the South, Mexico and other places.

His New Orleans restaurant, K-Paul's Louisiana Kitchen, packs customers into a grubby formica-top diner-type setting for plates that start at \$20. Prudhomme has become an American star.

Patout wants to take on his old friend and is coming out with his own cookbook this spring. But many other regional chefs are creating. Mr. B's, a popular New Orleans bistro, serves small morsels of most redfish fried in a spicy breading and served with a lightly mustard mayonnaise.

But some things never change. Like the coffee that is cut with chicory, an old habit of the French from hard times that was adopted in Louisiana during the Civil War when coffee was hard to get. It makes terrible coffee. Why do they still do it, Patout and several other restaurateurs were asked? "It's a tradition," they all answered.

Mark J. Kurlansky is a journalist based in Miami.

Doctorow

Continued from page 11

actual Doctorows, including my late father, lived on Eastburn Avenue." His voice has taken on a mild edge. "These are all true. But the book is an invention. It's the illusion of a memoir."

As Doctorow speaks, it seems that what he's done in the novel is still becoming clear to him. Only now is he realizing what his intentions have been all along, and he's sizing up his achievement against them as they come into focus. The sections of family commentary, for example, are written as if they have been elicited by questions and spoken aloud, and they stand as a kind of transcribed oral history in contrast to Edgar's crafted one. "I like the idea of composing oral history," Doctorow says. "Writing the way people speak. Behind it is the larger idea of trying to break down the wall between the real and the written."

"The presumption of writing," he says, "is that you can speak for other people, that you can live lives through your work that you have not lived, and that you can do that adequately and justly. Writing is an exploration. You start from nothing and learn as you go. If you do it right, you're coming up out of yourself in a way that's not entirely governable by your intellect. That's why the most important lesson I've learned is that planning to write is not writing. Outlining a book is not writing. Researching is not writing. Talking to people about what you're doing, none of that is writing. Writing is writing."

Bruce Weber writes frequently on literary subjects. This was excerpted from an article in *The New York Times Magazine*.

Raul Ruiz's Labyrinth

Continued from page 11



Melvil Poupaud and Jean-Pierre Léaud in "Treasure Island."

one's native land rather than accentuating memory, he says.

"You become obsessed with small details in your new place—where to eat, how to find a flat. It can become almost a sort of fascism in that you think you are different, a special breed devoid of responsibility. It can lead to a kind of megalomania."

Ruiz's skill is officially recognized in France to the point where he was recently appointed co-director of a government-run Maison de la Culture in Le Havre. He intends to work there mostly on video, but will undoubtedly find time to make his own films just as he did a few months ago when he was at the Maison de la Culture at Grenoble.

"It was fantastic, they had all the equipment there, all one could need. I only had to bring in the actors." He made three films during his short stay there—a rock film, a sci-fi, and his "Richard III" with Le Puy end.

Color-Coding the Travel Guides

by Peter Lewis

NEW YORK—The 1986 editions of many popular guidebooks are beginning to appear in bookstores. The first to arrive each year are updated versions of the familiar meat-and-potatoes directories—the *For*, the *Frommers*, the *Let's Go's*—that steer first-time visitors along well-beaten paths. Later, as the holiday season approaches, come the coffee-table books that stir memories or dreams of distant countries through lavish use of photography and lush color reproduction. These expensive books are hardly meant to be tucked inside a suitcase and contain little if any day-to-day travel tips.

In recent years a new class of paperback travel guide has emerged. It combines the best of the practical directories with the superior artwork of the hardcover coffee-table books at an affordable price.

An outstanding example of this new generation of guidebooks is the *Access* series, published by AccessPress Ltd., a small company that recently moved its headquarters to New York from Los Angeles.

The creative force behind the *Access* series is Richard Saul Wurman, an architect, graphic designer and cartographer who is co-owner of AccessPress Ltd. with Frank Stanton, former president of the CBS.

While most guidebooks are divided into such categories as hotels, restaurants and museums, the *Access* guides view the city as a fabric, indivisible. "When you are somewhere in a city," Wurman says, "you want to know what's around you. When I'm in a museum, I want to know what's nearby, where I can eat, where I can find an interesting shop."

A page chosen at random from the Tokyo *Access* guide, for example, presents both practical information and cultural observations about a tiny area of the Ginza. The items flow smoothly from one to the next, as one would walk the streets of the area: first, how to get to what the author considers the best private art museum in Japan (the Bridgestone); then, a rush-hour glimpse of the waves of commuters in silent procession from the Tokyo Station nearby (with a note that the bus to Disneyland is at the Yaesu exit). Next, upstairs, is the Daimaru department store, "the ideal store for those things you forgot to pack for the trip," and a

suggestion that the store's "fifth-floor putting green is a good place to kill time while waiting for a train (no charge)." Another short walk leads to the Library of Tourism and Culture and then to the Fukuoka Mutual Finance Bank where one can see "a door based on a design by Marcel Duchamp." A sobering aside: "According to popular belief that Tokyo's earthquakes run on a 69-year cycle, the next massive tremor is due to occur in 1991." (This cycle formula failed to predict the earthquake of Oct. 4, 1985.)

Each brief item is color coded for quick identification. Gardens and parks are described in green type. Items on museums, theaters and architecture are printed in blue; restaurants and nightlife in red; shops in red; hotels and narrative items in black.

The books, which are about the same size as the popular Michelin green guides, are illustrated with clear, crisp and colorful drawings and maps, often from architects' renderings, frequently using aerial perspectives that give a fresh view of familiar areas.

The *Access* guides cost \$9.95 to \$11.95. Existing titles include Los Angeles, San Francisco, New York City, Washington, New Orleans, Las Vegas, Hawaii and Tokyo. Guides to London, Paris and Rome and the Museum of Modern Art in New York are planned for 1986.

Because of the unusual structure of the *Access* books, in which landmarks are described side by side with often short-lived restaurants and boutiques, the books must be revised frequently to keep pace with city changes. Each volume is revised every 12 to 18 months, Wurman says. Twenty-four pages of new listings are added to each revision. The volumes are completely rewritten for every other new edition, he says. The Los Angeles guide is in its third edition and several others, including the New York City guide, are now in second editions.

HIGH-QUALITY color photography and printing are the hallmarks of another series, the *Insight Guides*, produced by the German-born designer and photographer Hans Hofer and printed in Singapore. The artwork alone makes these paperback books well worth the \$15.95 price, but readers also get a fact-laden guide that incorporates thoughtful passages on the area's history and culture along with the usual guidebook information about hotels,

restaurants and landmarks. However, a traveler unfamiliar with the area described might do well to pick up one of the totally practical guides as a supplement.

The heavy paper used for their superb color reproduction makes the *Insight Guides* quite hefty. While some of these books certainly could be taken on a trip, their value is chiefly as reference works to be read and enjoyed before and after one's travels.

The series, begun in the 1970s, now comprises 23 titles, with 18 new titles set for release in the next year. The most recent books, Indonesia, Australia and Northern and Southern California, will be followed in the coming months by India, New York State, Puerto Rico, Britain, the Rockies, Kenya and Israel, among others.

The first *Insight Guide* described Bali, and the South Pacific remains a particular strength of the series. It is hard to imagine a better guide than the *Insight Indonesia* book for such relatively out-of-the-way places as Sri Lanka, Java and Burma.

The practical travel advice contained in the *Insight Guides* is revised yearly.

Both the *Access* and *Insight* guides may be ordered by mail from their U.S. distributor, Simon & Schuster, 1230 Avenue of the Americas, New York, N.Y. 10020.

ANOTHER paperback series that has gained acclaim in the last year for superior color illustrations is the *Dumont Guides*, published by Stewart, Tabori & Chang of New York and printed in Spain. Five *Dumont* titles are now in the stores, Paris and the Ile de France, the Loire Valley, the French Riviera, Ireland and the most recent, on the Greek islands.

The *Dumont Guides* segregate their color photographs in clusters of glossy pages that, divided sections of text. The narrative, in the form of an anthology of articles concentrating on the region's history, art and architecture, lacks the fluid, breezy style of the *Access* and *Insight* guides and is intended for the most experienced travelers. A spartan section at the rear is devoted to practical travel considerations, hardly adequate for newcomers seeking advice on such basics as lodging or dining.

The *Dumont Guides* cost \$12.95 to \$14.95 and are available by mail from the publisher at 740 Broadway, New York, N.Y. 10003.

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FRIDAY, OCTOBER 25, 1985

TECHNOLOGY

Electronic Blackboards
Aim at the Meeting Room

By ANDREW POLLACK

New York Times Service

SAN FRANCISCO — For those who have discovered with dismay that the vital information they wrote on the blackboard was erased overnight by the janitor, the answer is at hand. New high-technology blackboards can make paper copies of what is written on them.

The so-called electronic boards are just one example of how technology is transforming even the simple blackboard. Indeed, blackboards, which might more properly be called chalkboards, are usually not even black anymore, but green or smoky color. And chalkboards themselves are being replaced by the "whiteboard," on which people write with colored markers.

Coming next are more sophisticated combinations of computer screens and blackboards to automate one of the last bastions of the office: the meeting room.

Blackboards were originally black because they were made from slate. But slate was expensive and heavy and tended to wear. As long as 30 years ago, blackboards of steel coated with porcelain came into use. Such chalkboards could be made in different colors, and green and brown became popular.

Whiteboards, which began appearing 10 to 15 years ago, are also made of steel and porcelain but have a smoother surface than chalkboards, which need a slight roughness to make the chalk rub off. The key to the development of the whiteboard, however, was the markers, which were first developed in Japan. These markers use a fluid that dries quickly into a powder, which can be wiped off with a cloth or eraser.

Whiteboards have not caught on well in schools because of higher prices and the tendency of students to walk off with the markers. But in corporate offices and conference rooms, the screech of the chalk and the cloud of chalk dust is fading into memory. Aside from permitting color presentations, whiteboards can double as projection screens for slides or transparencies.

THE whiteboards that make paper copies were also pioneered in Japan, where they have been on sale for about a year. They are being marketed in the United States by, among others, Okidata of Mount Laurel, New Jersey; Panasonic of Secaucus, New Jersey, and Ezcel of San Francisco.

These boards work in much the same way as facsimile machines, a technology dominated by the Japanese. The image on the board is scanned and the pattern of white and dark spots is recorded electronically. That information allows a printer to reproduce the image on a piece of paper.

The Ezcel Fotoboard, for instance, which is made by Fujitsu Ltd., uses as its writing surface a long sheet of flexible white plastic, enough for five separate screens. When one screen is used up, the vinyl scrolls to provide a clean screen and the screen just written upon passes by the scanner for copying. The first copy takes about 20 seconds and subsequent copies take 10 seconds.

"Previously we wrote on boards, made Polaroids and gave those to secretaries to type and make copies," said John C. Stevens, an Ezcel board user at a Westinghouse nuclear plant in Hanford, Washington.

Not everyone is as pleased, however. As a publicity move, Ezcel gave one of its first units to the San Francisco 49ers, hoping that the team's coach, Bill Walsh, would use it to diagram plays, then print out copies for the players. But after a brief use, in training camp, the defending Super Bowl champions gave it back, partly because it could not produce enough copies fast enough. "It was close to meeting our needs, but not close enough," a spokesman for the team said.

Price might also be limiting the market. The copying boards sell for more than \$3,000, compared with several hundred dollars for a middle-tech whiteboard and even less for a low-tech chalkboard. "We think they are very expensive toys," said William Sprenger, an official at Claridge Products Inc., a Harrison, Arkansas, manufacturer of chalkboards and whiteboards.

Tin Group
Withdraws
Supports

Metal Exchange
Halts Trading

Reuters

LONDON — World tin trading was thrown into uncertainty Thursday when the International Tin Council, the governing forum of leading exporters and importers of the metal, said it could no longer afford to support sagging prices.

The ITC's decision to cease buying tin for its reserve buffer stock led to the immediate suspension of trading on the London Metal Exchange, the biggest metals market.

Dealers said the move cast a cloud over much of the tin business because a number of leading producers and markets have prices on LME rates. A spokesman for the exchange said the time had been set for the resumption of trading.

Pieter de Koning, manager of the ITC's buffer stock, has been struggling unsuccessfully to keep prices above an internationally agreed floor of \$3,500 (\$12,180) a metric ton (1.1 ton). The ITC buys when prices are weak and sells when they are high.

Mr. de Koning said Thursday that he had to stop supporting the market because of limited credit facilities to finance tin purchases.

He said the effects of heavy selling on the LME — much of it by speculators hoping to buy back in later at a lower price — had been made worse recently by rising sales from non-ITC producers, which are not subject to the council's jurisdiction.

Although leading producers such as Malaysia, Thailand and Bolivia have obeyed ITC export quotas since 1982, sales by non-members such as Brazil and China have risen sharply in recent months.

Mr. de Koning said that leading tin producers had not yet fulfilled a promise made last month to make "significant and effective" additional contributions to the ITC.

Meanwhile, the U.S. General Services Administration suspended until Monday its daily price quotes for government surplus tin because of the market uncertainty.

Star Wars Computers: Too Big a Byte?



Experts Question
If the Software
Can Be Designed

By David E. Sanger

New York Times Service

CAMBRIDGE, Massachusetts — Can the American computer industry design the software for space-based missile defenses, a program that is coming to be known as "Star Wars"?

This central issue in the research surrounding President Ronald Reagan's Strategic Defense Initiative has emerged as the premier problem facing the nation's top software designers. Already it has caused a schism among computer experts, both in industry and in the universities.

Earlier in the week, the controversy over the proposal's feasibility came to the fore at the meeting of computer researchers at the Massachusetts Institute of Technology, where a two-hour debate pitted a pair of scientific advisers to the Pentagon against two scientists who called the project a waste of the software industry's most precious resource, its programming talent.

The debate was the first public airing of a technical and political dispute that has dominated the pages of industry journals and served as grist for luncheon arguments in corporate cafeterias from Boston's Route 128 to Silicon Valley.

Debate the feasibility of programming Star Wars software were David L. Parnas, left; Michael L. Dertouzos, top center; the moderator; Danny Cohen, center; Charles L. Seitz, right, and Joseph Weizenbaum, below.

The software in question would direct a space- and ground-based system designed to destroy enemy missiles within minutes of their launching.

The Pentagon has yet to settle on the basic design, so from the outset of the MIT debate it was clear there would be little agreement on the issues, much less the answers.

"A simple yes-or-no answer will probably not suffice," observed Michael L. Dertouzos, director of MIT's Laboratory of Computer Science, who moderated the debate.

"It might not be impossible to put something up there that will

Texaco Profit Up
28% in Period;
Sohio Down 3%

Compiled by Our Staff From Dispatches

NEW YORK — Texaco Inc., the third-largest U.S. oil company, said Thursday that its profit rose 28 percent in the third quarter, helped by bigger earnings from the sale of gasoline and other refined petroleum products.

But Standard Oil Co. (Ohio), which is 55-percent owned by British Petroleum Co. PLC, said that its third-quarter earnings slipped 3 percent, reflecting expectations of higher income taxes and lower investment tax credits.

For most other leading oil companies, rebounds in refining and marketing during the July-September quarter were not enough to offset the impact of falling world crude oil prices and the expenses associated with the restructuring of the oil industry.

Those were the factors cited by Pennzoil Thursday in reporting that its third-quarter earnings dropped 24 percent, to \$44.4 million, or 94 cents a share, from \$59 million, or \$1.08 a share, in the year-earlier quarter. Revenues were down 4 percent, to \$564 million from \$599 million.

Exxon Corp., the world's largest oil company, said Wednesday that its third-quarter profit fell 22 percent from a year ago, mostly because of the expense of closing two plants in West Germany and foreign-exchange losses.

Mobil Corp. on Monday reported a \$116-million loss for the third quarter as a result of a \$508-million charge against earnings for its attempt to turn its Montgomery Ward & Co. retailing unit into a smaller, profitable operation.

Meanwhile, Texaco said Thursday that its profit rose to \$301 million, or \$1.26 a share, from \$235 million, or 91 cents a share, in the third quarter of 1984. The gain came despite a 7-percent drop in revenue that resulted from falling crude oil prices.

Revenue slipped to \$11.3 billion from \$12.2 billion a year earlier. Because crude oil prices fell and prices of gasoline and other refined products leveled off, profit margins

from the refining and sale of petroleum products rose. A year ago, Texaco reported losses from refining and marketing in the third quarter and first nine months.

Texaco's overall net profit also rose for the first nine months of the year, climbing almost 8 percent from a year earlier, when earnings were held down by the expenses associated with Texaco's \$10.1-billion acquisition of Getty Oil Co.

For the first nine months, profit rose to \$926 million, or \$3.83 a share, on revenue of \$35.9 billion, from profit of \$858 million, or \$3.39 a share, on revenue of \$35.9 billion a year earlier.

Sohio said that its profit in the third quarter fell to \$346 million, or \$1.48 a share, from \$359 million, or \$1.49 a share, a year earlier.

Earnings per share did not fall as much as net income because Sohio bought back some of its common stock, reducing the number of shares outstanding.

Revenue climbed 19 percent, to \$3.44 billion from \$2.88 billion.

For the first nine months, Sohio reported net income of \$1.07 billion, or \$4.60 a share, on revenue of \$10.13 billion, against profit of \$1.19 billion, or \$4.89 a share, on revenue of \$9.04 billion a year earlier.

Among other oil companies already reporting third-quarter results, Occidental Petroleum Corp. had a 150-percent rise in profits, in large part because of the \$1-billion sale of a half interest in its rich Colombian holdings.

Ashtand Oil Inc., which completed its fiscal year on Sept. 30, earlier reported a profit in its fourth quarter compared with a loss a year earlier when it took a huge writedown for sales of many of its non-oil businesses.

Other earlier third-quarter earnings reports included Amoco Corp., down 18.3 percent; Shell Oil Co., off 18.3 percent; and Amerasia Hess Corp., down 10.3 percent.

(AP, UPI)

World Bank Optimistic
On China's Output Goal

United Press International

BEIJING — China's goal of quadrupling production and nearly tripling per-capita income by the year 2000 is feasible but will require "steering a difficult course," according to a major World Bank report released Thursday.

The report, undertaken early last year, is cautious but optimistic in examining critical problems that China will confront in the next 20 years as it strives to catch up with the advanced industrial world.

"During the next two decades, there could be substantial further progress," the report said. "The foundations for rapid and equitable growth in the 21st century could also be laid. But this will require steering a difficult course, in both development strategy and system reform."

It concludes that China must make "ceaseless, intense efforts" to reform economic management — by freeing market forces to stimulate efficiency, expanding the use of indirect levers to regulate the economy and encouraging direct foreign investment as a conduit for teaching modern management techniques.

Better access to advanced foreign technology will make rapid growth easier, the report said, but that will not be sufficient, "nor will the availability of energy, land and other natural resources."

"China's economic prospects will depend, rather, on success in mobilizing and effectively using all available resources — especially

people," it continued. "This in turn will depend largely on success in reforming the system of economic management."

The report said there was "a good chance" that China would succeed in its goals of quadrupling the gross value of agricultural and industrial output and boosting annual per-capita income from \$300 to \$800 by the year 2000, if two conditions are met.

It said that China must make efficient investment in building its infrastructure at an average rate of 30 percent of total national income, a rate comparable to past years.

The country must also make "reasonable" improvements in the use of energy and raw materials while maintaining the population at the official target of 1.2 billion at the end of the century, the bank said.

The report anticipates major structural changes in the Chinese economy — some of which have already started to emerge through official statistics — in the next 20 years, including:

- A shift in agriculture away from grains and other staples to cash crops and animal husbandry.

- A change in the composition of manufactured exports, with projected slow growth in textile exports and an expansion of metal and machinery exports.

- Rapid urbanization, as farmers move increasingly to small towns, accompanied by increased specialization and trade among localities.

W. German Current-Account Surplus
Put at \$1.63 Billion for September

Reuters

WIESBADEN, West Germany — West Germany's current account showed a provisional surplus of 4.3 billion Deutsche marks (\$1.63 billion) in September after a deficit of 800 million DM in August, the federal statistics office said Thursday.

The surplus in merchandise trade, a component of the current account, widened to 7.4 billion DM from 3.5 billion DM in August. September imports totaled 36.47 billion DM, 3.5 percent higher than a year earlier and 2.4 percent higher than in August. Exports were 43.90 billion DM, 8.2 percent higher than in September 1984 and 13 percent higher than in August.

If confirmed, the current-account and trade surpluses would be the highest ever recorded for September, a spokesman for the office said. In September last year, the current account showed a 100-million-DM deficit, and the trade surplus was 5.3 billion DM.

The office said the large surplus in the current account, the broadest measure of a country's trade performance, was partly because of special factors. Payments by the European Community in connection with agriculture cut a traditional deficit on transfers to 1.3 billion DM from 2.61 billion DM a year earlier, a spokesman said.

The September figures took the cumulative surplus in the current account to 21.1 billion DM this year, compared with 2.2 billion DM in the first nine months of 1984. The cumulative trade surplus rose to 49.6 billion DM from 32.1 billion DM. Imports rose 8.7 percent to 349.0 billion DM and exports by 13 percent to 398.6 billion DM.

The statistics office also reported Thursday that import prices rose 0.5 percent in September from August, but were 1.4 percent lower than in September last year.

Currency Rates

Cross Rates	Oct. 24	Oct. 24	Oct. 24	Oct. 24	Oct. 24	Oct. 24	Oct. 24	Oct. 24	Oct. 24
Amsterdam	2.985	4.58	122.85	3.995	8.125	5.59	122.85	32.77	Y
Brussels (a)	35.49	74.05	28.635	6.44	2.866	7.78	3.271	36.28	Y
Frankfurt	35.49	74.05	28.635	6.44	2.866	7.78	3.271	36.28	Y
London (b)	1.015	1.21	3.745	11.475	3.238	4.585	7.33	3.058	30.95
Milan	1.7670	2.5540	64.49	22.37	—	97.17	33.31	22.30	8.34
New York (c)	—	—	—	—	—	—	—	—	—
Paris	—	—	—	—	—	—	—	—	—
Porto	24.80	30.96	11.36	24.4	12.14	72.48	48.53	9.33	—
Zurich	2.185	3.09	10.255	3.945	8.125	5.59	122.85	32.77	Y
1 ECU	8.332	8.348	2.919	4.265	1.053	2.855	44.28	38.19	—
1 SDR	1.6097	4.3553	1.818	8.847	1.0025	3.375	32.335	14.2	28.975

Changes in London and Zurich Rates in other European cities, New York rates of 4 P.M. (a) Commercial bank (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (d) Units of 100 (e) Units of 1,000 (f) Units of 10,000 (g) Not quoted (h) A.S. not available.

(e) To buy one pound: 163.333

Other Dollar Values

Austri. schill.	13.82	Hong Kong \$	7.79	Indon. rupia	754.00	Indon. rupia	754.00
Bulg. lev. fr.	33.70	Indian rupee	72.0337	Phil. peso	17.40	Taiwan \$	24.625
Brazil. cru.	8,265.00	Indo. rupia	1,722.00	Port. escudo	162.00	Thail baht	24.625
Canadian \$	1.2456	Irish £	0.8533	South Africa	3.65	Turkish lra	50.00
Chinese yuan	3.1197	Israeli shek.	1,471.50	Sing. \$	2.1375	UAE dirham	3.65
Danish krona	9.61	Kuwaiti dinar	2.952	S. Afr. rand	2.9543	Venez. boliv.	14.85
Egypt. pound	1.35						

Source: Bank of America (Brussels), Banco Commerciale Italiano (Milan), Bureau National de Paris (Paris), Bank of Tokyo (Tokyo), IMF (SDR), BAI (Buenos Aires, Lima, Santiago), Other data from Reuters and AP.

Interest Rates

Encumbrance Deposits	Oct. 24	Oct. 24	Oct. 24	Oct. 24	Oct. 24	Oct. 24	Oct. 24
1 month	8 1/4-8 1/2	4 1/4-4 1/2	4 1/4-4 1/2	4 1/4-4 1/2	4 1/4-4 1/2	4 1/4-4 1/2	4 1/4-4 1/2
3 months	8 1/4-8 1/2	4 1/4-4 1/2	4 1/4-4 1/2	4 1/4-4 1/2	4 1/4-4 1/2	4 1/4-4 1/2	4 1/4-4 1/2
6 months	8 1/4-8 1/2	4 1/4-4 1/2	4 1/4-4 1/2	4 1/4-4 1/2	4 1/4-4 1/2	4 1/4-4 1/2	4 1/4-4 1/2
1 year	8 1/4-8 1/2	4 1/4-4 1/2	4 1/4-4 1/2	4 1/4-4 1/2	4 1/4-4 1/2	4 1/4-4 1/2	4 1/4-4 1/2

Source: Morgan Guaranty (London), D.M. & P. (London), F.P. (London), Lloyds Bank (ECU), Reuters (SDR). Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

Key Money Rates Oct. 24

United States	Close	Prev.	Oct. 24	Oct. 24	Oct. 24	Oct. 24	Oct. 24
Discount Rate	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2
Federal Funds	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2
Prime Rate	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2
Banker's Loan Rate	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2
Class Power 30-90 days	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2
3-month Treasury bills	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2
CD's 30-90 days	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2
CD's 60-90 days	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2

Source: Federal Reserve Bank (New York), D.M. & P. (London), F.P. (London), Lloyds Bank (ECU), Reuters (SDR). Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

Asian Dollar Deposits Oct. 23

1 month	3 months	6 months	1 year	Oct. 23	Oct. 23	Oct. 23	Oct. 23
1 month	7 1/4-8 1/4	8 1/4-9 1/4	9 1/4-10 1/4	10 1/4-11 1/4	11 1/4-12 1/4	12 1/4-13 1/4	13 1/4-14 1/4
3 months	8 1/4-9 1/4	9 1/4-10 1/4	10 1/4-11 1/4	11 1/4-12 1/4	12 1/4-13 1/4	13 1/4-14 1/4	14 1/4-15 1/4
6 months	9 1/4-10 1/4	10 1/4-11 1/4	11 1/4-12 1/4	12 1/4-13 1/4	13 1/4-14 1/4	14 1/4-15 1/4	15 1/4-16 1/4
1 year	10 1/4-11 1/4	11 1/4-12 1/4	12 1/4-13 1/4	13 1/4-14 1/4	14 1/4-15 1/4	15 1/4-16 1/4	16 1/4-17 1/4

Source: Merrill Lynch, Pierce, Fenner & Smith (New York), Reuters (SDR). Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

U.S. Money Market Funds Oct. 24

One-month interest	7 3/4	7 3/4					
3-month interest	7 3/4	7 3/4					
6-month interest	7 3/4	7 3/4					
<hr/>							
Yields				A.M.	P.M.		Oct. 24
Week-End Rate	11 1/2	11 1/2					C3
Call Money	TJA	13 1/4					
1-day Treasury Bill		11 5/8					
2-month interest	7 1/2	7 1/2					
<hr/>							
				</			

NYSE Most Actives

Vol.	High	Low	Last	Chg.
IBM	137.25	137.00	137.00	+0.25
AT&T	102.50	102.25	102.25	+0.25
General Motors	102.50	102.25	102.25	+0.25
IBM	137.25	137.00	137.00	+0.25
AT&T	102.50	102.25	102.25	+0.25
General Motors	102.50	102.25	102.25	+0.25

Dow Jones Averages

Open	High	Low	Last	Chg.
Index	1347.38	1345.00	1345.00	-0.38
Indus.	1347.38	1345.00	1345.00	-0.38
Transp.	1347.38	1345.00	1345.00	-0.38
Finance	1347.38	1345.00	1345.00	-0.38

NYSE Index

High	Low	Close	Chg.
Composite	1347.38	1345.00	-0.38
Indus.	1347.38	1345.00	-0.38
Transp.	1347.38	1345.00	-0.38
Finance	1347.38	1345.00	-0.38

Thursday's NYSE Closing

Vol. of 4 P.M. 123,140,000
Prev. 4 P.M. vol. 121,550,000
Prev. consolidated close 146,174,174

Totals include the nationwide prices we are closing on Wall Street and do not reflect late trades elsewhere.
Via The Associated Press

AMEX Diaries

Class	Prev.
Advanced	244
Declined	278
Unchanged	244
Total Issues	770
New Issues	76
Volume up	3,440
Volume down	2,127,350

NASDAQ Index

Class	Chg.	Week	Year
Composite	+0.25	24.25	24.25
Indus.	+0.25	24.25	24.25
Finance	+0.25	24.25	24.25
Transp.	+0.25	24.25	24.25

AMEX Most Actives

Vol.	High	Low	Last	Chg.
IBM	137.25	137.00	137.00	+0.25
AT&T	102.50	102.25	102.25	+0.25
General Motors	102.50	102.25	102.25	+0.25

Dow Jones Bond Averages

Class	Chg.
Bonds	+0.12
Utilities	+0.12
Indus.	+0.12

NYSE Diaries

Class	Prev.
Advanced	244
Declined	278
Unchanged	244
Total Issues	770
New Issues	76
Volume up	3,440
Volume down	2,127,350

Odd-Lot Trading in N.Y.

Buy	Sales	"B" Bids
15,724	441,922	28,073
15,724	441,922	28,073
15,724	441,922	28,073
15,724	441,922	28,073

Standard & Poor's Index

High	Low	Close	Chg.
Indus.	1347.38	1345.00	-0.38
Transp.	1347.38	1345.00	-0.38
Finance	1347.38	1345.00	-0.38
Composite	1347.38	1345.00	-0.38

AMEX Sales

4 P.M. volume	Prev. 4 P.M. volume
2,127,350	2,127,350

AMEX Stock Index

High	Low	Close	Chg.
238.07	237.56	237.56	+0.19

Stocks Decline in Late Selling

12 Month High	Low	Stock	Div.	Yld.	PE	52 Week High	Low	Close	Chg.
137.25	137.00	IBM	3.20	4.4%	15.5	137.25	137.00	137.00	+0.25
102.50	102.25	AT&T	2.00	4.0%	15.5	102.50	102.25	102.25	+0.25
102.50	102.25	General Motors	0.50	4.0%	15.5	102.50	102.25	102.25	+0.25

Stocks Decline in Late Selling

NEW YORK — The New York Stock Exchange closed lower in active trading Thursday after a mild mid-afternoon upsurge in the blue chips faltered and brought the broader market down with it.

The deteriorating performance of two bellwether issues, IBM and General Motors, helped drag the market lower, analysts said. The paths of the two blue chips diverged Wednesday when IBM climbed and General Motors weakened.

In late trading Thursday, IBM joined General Motors on its downward path, dropping 1 1/2 to 128 1/2. General Motors fell 1/4 to 65 1/2, matching its 52-week low set Aug. 15.

The Dow Jones industrial average lost 4.82 to 1,345.03.

Broader market indicators also gave up ground. The NYSE index fell 0.29 to 108.53, while Standard & Poor's 500 stock index decreased 0.59 to 188.50. The price of an average share lost nine cents.

Among the 2,008 issues traded, declines outpaced advances 805 to 736. Big Board volume totaled 123.1 million shares, compared with 121.7 million Wednesday.

"The market is on a treadmill," said Hugh Johnson, head of the investment policy committee at First Albany. "Investors are waiting to get a much clearer view on what the economy will be like in the fourth quarter."

Mr. Johnson said the market is concerned that the Federal Reserve is trying to slow the growth of money and might overdo the restraints.

Some investors worry that a weaker economic performance in October combined with slower money growth could curb the economy's growth through the first quarter of 1986, analysts said.

M-1 Drops \$6.8 Billion

NEW YORK — The broadest measure of the U.S. money supply, M-1, fell \$6.8 billion, to \$605.1 billion in the week ended Oct. 14, the Federal Reserve Board reported Thursday. Most analysts had expected a decline of about \$3.5 billion.

Economists said the latest drop puts M-1 very close to the Fed's target growth range, easing pressure on the central bank to tighten policy.

M-1 comprises money available for immediate spending, including cash, checking accounts and nonbank traveler's checks.

But Mr. Johnson's view is that October's weakness will prove temporary. He said reaccelerated money growth will accommodate a strong Christmas season and that the economic picture will remain positive through the first half of the year.

Texas Oil & Gas was the most active NYSE-listed issue, up 1 1/2 to 19 1/2 on a rumor that U.S. Steel might buy it. U.S. Steel dropped 1/4 to 29. Northern Indiana Public Service followed, easing 1/4 to 10 1/4. Rockefeller Center Properties was third, edging up 1/4 to 18 1/4.

Among actively traded blue chips, Westinghouse eased 1/4 to 41, AT&T was off 1/4 to 20 1/2 and Union Carbide jumped 1 1/2 to 60.

Technology issues, which gave the market a boost in the two prior sessions, declined. Digital Equipment eased 1/4 to 11 1/4. Burroughs dropped 1 to 55 1/4 and Cray Research fell 1 1/2 to 53 1/4. Some semiconductor issues firmed, however.

Stocks Decline in Late Selling

12 Month High	Low	Stock	Div.	Yld.	PE	52 Week High	Low	Close	Chg.
137.25	137.00	IBM	3.20	4.4%	15.5	137.25	137.00	137.00	+0.25
102.50	102.25	AT&T	2.00	4.0%	15.5	102.50	102.25	102.25	+0.25
102.50	102.25	General Motors	0.50	4.0%	15.5	102.50	102.25	102.25	+0.25

REGULAR QUARTERLY DIVIDEND

57.5¢
per common share

Payable: December 15, 1985
Record: November 22, 1985
Declared: October 23, 1985

Continuous dividend payments since 1939.

Cyril J. Smith
Vice President & Secretary
P.O. Box 1642
Houston, Texas 77251-1642

PANHANDLE EASTERN CORPORATION

diversified in energy—natural gas transmission
oil and gas exploration and production
contract drilling, coal mining

Stocks Decline in Late Selling

12 Month High	Low	Stock	Div.	Yld.	PE	52 Week High	Low	Close	Chg.
137.25	137.00	IBM	3.20	4.4%	15.5	137.25	137.00	137.00	+0.25
102.50	102.25	AT&T	2.00	4.0%	15.5	102.50	102.25	102.25	+0.25
102.50	102.25	General Motors	0.50	4.0%	15.5	102.50	102.25	102.25	+0.25

1350 مائة الف

Hitachi Ltd. Reports Dip in Profit for First Half

TOKYO — Hitachi Ltd. reported Thursday that parent company profit for the first six months of 1985-86 year slipped 0.9 percent from a year earlier, to 49.7 billion yen (\$231 million) from 50.1 billion yen.

Per-share earnings for the six months ended Sept. 30 were 17.73 yen, compared with 17.88 yen a year earlier. Sales for the period rose 3 percent, to 1,559 billion yen or \$154 billion.

Hitachi has revised downward its profit forecast for the year ending March 31, 1986, to 193 billion yen, from 265 billion yen. Yasuo Iiyama, vice president, said at a news conference. Profit for the 1984-85 year amounted to 255.9 billion yen.

Estimated sales for 1985-86 were revised downward to 3 trillion yen from an earlier estimate of 3.18 trillion yen, compared with 3.036 trillion yen a year earlier, he said. The company will retain the 9-

yen dividend in 1985-86, he added.

A continuing recession in semiconductor, slow growth in videotape-recorder sales, declines in exports to China and the yen's appreciation against the dollar are expected to reduce profit and sales for the year, Mr. Miyachi said.

In the first six months, semiconductor sales fell 21 percent to 215 billion yen from a year earlier, bringing sales of information and communications systems and electronic devices to 552.1 billion yen, down 4 percent from a year earlier.

Foreign-exchange losses are expected to total about 3 billion to 4 billion yen in 1985-86, if the exchange rate against the dollar stands at an average of 210 to 215 yen, Mr. Miyachi said.

VTR sales in the current year are expected to fall about 7 percent from a year earlier, to 4.30 million sets, and semiconductor sales are expected to fall 20 percent, to 430 billion yen, he said.

Knight-Ridder and Mills PLC To Form Joint Data Venture

MIAMI — Knight-Ridder Newspapers Inc. said Thursday its business information subsidiary, Knight-Ridder Financial Information Group, had agreed to joint venture with Mills & Allen International PLC to provide market information through Knight-Ridder.

Degussa AG Shares Soar on Rumored AIDS Cure

FRANKFURT — Rumors that Degussa AG had developed a medication to fight Acquired Immune Deficiency Syndrome drove the chemical company's shares up 51 Deutsche marks (\$19.30) Thursday, to 514 DM.

A company spokesman confirmed that Degussa researchers had a substance that, after limited laboratory trials, appeared able to kill the AIDS virus.

Questions Raised on Rescue Of JMB by Bank of England

LONDON — The Bank of England has denied charges that some of its officials committed forgery as part of efforts to revive Johnson Matthey Bank Ltd.

JMB, a gold dealer and bank, was acquired by the central bank from Johnson Matthey PLC a year ago in a rescue organized after the discovery of loan losses totaling more than £200 million (\$286 million).

The allegations of forgery by central bank officials were made Tuesday by Brian Sedgmore, a Labour Party member of Parliament, who has been a leading critic of the Bank of England's handling of the rescue. The opposition party has called for an independent inquiry into the JMB affair.

A spokesman for Britain's solicitor general confirmed Wednesday that the City of London police would investigate the new evidence provided by Mr. Sedgmore. The police last July were ordered to investigate whether JMB officials committed fraud before the Bank of England took it over in October 1984.

"What we are witnessing is the biggest financial scandal of the 20th century," said Mr. Sedgmore, a lawyer. "So far we have only seen the first worms crawl out of the can."

Mr. Sedgmore repeated a call he made last July for the resignation of Robin Leigh-Pemberton, governor of the Bank of England. "Although, and we must be thankful for small mercies, Robin Leigh-Pemberton is not himself a conspirator to crime, it will be impossible to restore confidence until he resigns," said Mr. Sedgmore.

The Bank of England's chief spokesman, Philip Warland, replied: "We do not believe there is the slightest truth in these allegations. They are, of course, serious allegations and as such they should be investigated. We have no fears about this, nothing to hide."

Mr. Sedgmore said that the Bank of England, after acquiring control of JMB, found £23 million in accounts of companies controlled by Mahmud Sipa, a Pakistani-born businessman whose El Saeed Group was involved in commodities, scrap iron, shipping and movie production and is one of JMB's biggest problem borrowers.

Mr. Sedgmore said that the

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Sperry Corp. Posts 2d-Quarter Loss From Sale of Farm-Equipment Unit

NEW YORK — Sperry Corp. said Thursday that losses from operations of its New Holland farm-equipment business and from the unit's sale to Ford Motor Co. contributed to a loss of \$187.9 million in its second fiscal quarter.

But Sperry said its two remaining operations, commercial computers and defense and aerospace, posted a 23-percent revenue gain in the period.

Sperry, headquartered in New York, said its quarterly loss contrasted with net income of \$99.5 million, or \$1.80 per share, in the second quarter of 1984.

Sperry said it lost \$10.6 million after taxes on operations of New Holland in the second quarter, as expected, took a \$220-million after-tax loss on the sale of New Holland to Ford. Ford paid \$330 million in cash for New Holland and agreed to assume \$110 million in liabilities. The sale agreement was signed Oct. 10, but the loss was recorded in Sperry's second quarter, which ended Sept. 30.

For its first half, Sperry said it had a loss of \$136.4 million compared with net income of \$119.6 million, or \$2.17 a share, in the first six months of 1984. Six-month revenues were \$2.54 billion, up 22 percent from \$2.08 billion in the 1984 period.

COMPANY NOTES

Bell Canada Enterprises Inc. will be listed in the foreign-stock section of the Tokyo Stock Exchange in mid-November with Nomura Securities Co. as listing agent. Bell does not plan to issue new shares for the Japanese market.

Cathay Pacific Airways has ordered a third Boeing 747-300, to be delivered in November 1986. Cathay Pacific, based in Hong Kong, received its first \$100-million 747-300 in June and is to receive its second in February.

Dome Petroleum Ltd. said it was willing to sell its 30.8 million shares in Dome Mines Ltd., Canada's largest gold producer, and probably its 1 million shares of Teacore Inc. as well. Under a refinancing agreement, the company is required to sell 10 million shares of Dome Mines by the end of 1986.

Fleet Aerospace Corp. has become part of an all-Canadian consortium, the possible purchase of Canadian Ltd. from the government-controlled Canada Development Investment Corp. Fleet did not identify the other members but said they included private and institutional investors.

Gates Learner Corp. is considering consolidating its aircraft and aerospace manufacturing operations in either Wichita, Kansas, or Tucson, Arizona, as a cost-cutting move. The aircraft manufacturer

employs 1,135 workers in Wichita and 815 in Tucson.


International Business Machines Corp. has cut purchase prices for some models of its 3380 direct-access storage devices and 3880 cache-storage controllers by an average of 10 percent.

MGM/UA Entertainment Co. common stock holders have until Nov. 1 to indicate their interest in holding United Artists stock after the acquisition of MGM/UA by Turner Broadcasting System Inc. The deadline was extended one week.

Pioneer Electronics Corp. of Japan will set up a car audio plant near Cincinnati, Ohio. The plant, with a capital investment of about \$10 million, will start production of stereo players for automobiles from July 1986 at a rate of 10,000 sets a month.

Reed International PLC has completed the sale of the British operation of Building Products Group for \$61 million (\$87 million) in cash to a newly formed company called Canadon Ltd.

Textron Inc. has ended efforts to sell its AVCO aircraft division. Textron said it had decided that the division's value, major contracts for wings for the B-1 and C-5 programs, could be realized most profitably by continuing to operate the division.

U.S. \$100,000,000
National Westminster
Finance B.V. 
(Incorporated in The Netherlands with limited liability)
Guaranteed Floating Rate Capital
Notes 1992
Convertible until 1988 into 10 percent. Guaranteed Capital Bonds 1992

In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from 25 October, 1985 to 25 April, 1986 the Notes will carry an Interest Rate of 8 1/2% per annum. The Interest payable on the relevant interest payment date, 25 April, 1986 against Coupon No. 11 will be U.S.\$214.88. The Conversion Interest Amount applicable to Notes which have been presented for conversion will be U.S.\$8.33 per U.S.\$5,000 Note and this will be payable on 31 October, 1985.

By The Chase Manhattan Bank, N.A., London
Agent Bank

NOTICE OF REDEMPTION to Holders of

G.T.E. INTERNATIONAL INC

8 1/4% Guaranteed Bonds due 1986

NOTICE IS HEREBY GIVEN that pursuant to the terms and conditions of the above issue US\$86,700,000 (Nominal) and to the prospectus of 1985, the following bond serial numbers have been drawn for redemption in the presence of a notary public at a price equal to 100% of the principal face amount.

BONDS OF \$1,000 EACH									
91	1538	3967	7063	0827	10372	10666	10934	11493	13081
100	1531	4047	7069	0830	10377	10671	10940	11498	13086
101	1532	4050	7072	0833	10382	10676	10945	11501	13089
111	1574	4056	7081	0837	10387	10681	10949	11504	13092
112	1575	4059	7084	0840	10392	10686	10954	11507	13095
121	1583	4113	7091	0847	10399	10690	10958	11510	13098
122	1584	4116	7094	0850	10404	10695	10963	11513	13101
131	1590	4120	7101	0857	10411	10700	10968	11516	13104
132	1591	4123	7104	0860	10416	10705	10973	11519	13107
141	1599	4174	7111	0867	10423	10710	10978	11522	13110
142	1600	4177	7114	0870	10428	10715	10983	11525	13113
151	1606	4181	7121	0877	10435	10720	10988	11528	13116
152	1607	4184	7124	0880	10440	10725	10993	11531	13119
161	1613	4188	7131	0887	10447	10730	10998	11534	13122
162	1614	4191	7134	0890	10452	10735	11003	11537	13125
171	1621	4242	7141	0897	10459	10740	11008	11540	13128
172	1622	4245	7144	0900	10464	10745	11013	11543	13131
181	1628	4249	7151	0907	10471	10750	11018	11546	13134
182	1629	4252	7154	0910	10476	10755	11023	11549	13137
191	1635	4256	7161	0917	10483	10760	11028	11552	13140
192	1636	4259	7164	0920	10488	10765	11033	11555	13143
201	1642	4263	7171	0927	10495	10770	11038	11558	13146
202	1643	4266	7174	0930	10500	10775	11043	11561	13149
211	1649	4270	7181	0937	10507	10780	11048	11564	13152
212	1650	4273	7184	0940	10512	10785	11053	11567	13155
221	1656	4277	7191	0947	10519	10790	11058	11570	13158
222	1657	4280	7194	0950	10524	10795	11063	11573	13161
231	1663	4284	7201	0957	10531	10800	11068	11576	13164
232	1664	4287	7204	0960	10536	10805	11073	11579	13167
241	1670	4291	7211	0967	10543	10810	11078	11582	13170
242	1671	4294	7214	0970	10548	10815	11083	11585	13173
251	1677	4298	7221	0977	10555	10820	11088	11588	13176
252	1678	4301	7224	0980	10560	10825	11093	11591	13179
261	1684	4305	7231	0987	10567	10830	11098	11594	13182
262	1685	4308	7234	0990	10572	10835	11103	11597	13185
271	1691	4312	7241	0997	10579	10840	11108	11600	13188
272	1692	4315	7244	1000	10584	10845	11113	11603	13191
281	1698	4319	7251	1007	10591	10850	11118	11606	13194
282	1699	4322	7254	1010	10596	10855	11123	11609	13197
291	1705	4326	7261	1017	10603	10860	11128	11612	13200
292	1706	4329	7264	1020	10608	10865	11133	11615	13203
301	1712	4333	7271	1027	10615	10870	11138	11618	13206
302	1713	4336	7274	1030	10620	10875	11143	11621	13209
311	1718	4340	7281	1037	10627	10880	11148	11624	13212
312	1719	4343	7284	1040	10632	10885	11153	11627	13215
321	1724	4347	7291	1047	10639	10890	11158	11630	13218
322	1725	4350	7294	1050	10644	10895	11163	11633	13221
331	1730	4354	7301	1057	10651	10900	11168	11636	13224
332	1731	4357	7304	1060	10656	10905	11173	11639	13227
341	1736	4361	7311	1067	10663	10910	11178	11642	13230
342	1737	4364	7314	1070	10668	10915	11183	11645	13233
351	1742	4368	7321	1077	10675	10920	11188	11648	13236
352	1743	4371	7324	1080	10680	10925	11193	11651	13239
361	1748	4375	7331	1087	10687	10930	11198	11654	13242
362	1749	4378	7334	1090	10692	10935	11203	11657	13245
371	1754	4382	7341	1097	10699	10940	11208	11660	13248
372	1755	4385	7344	1100	10704	10945	11213	11663	13251
381	1760	4389	7351	1107	10711	10950	11218	11666	13254
382	1761	4392	7354	1110	10716	10955	11223	11669	13257
391	1766	4396	7361	1117	10723	10960	11228	11672	13260
392	1767	4399	7364	1120	10728	10965	11233	11675	13263
401	1772	4403	7371	1127	10735	10970	11238	11678	13266
402	1773	4406	7374	1130	10740	10975	11243	11681	13269
411	1778	4410	7381	1137	10747	10980	11248	11684	13272
412	1779	4413	7384	1140	10752	10985	11253	11687	13275
421	1784	4417	7391	1147	10759	10990	11258	11690	13278
422	1785	4420	7394	1150	10764	10995	11263	11693	13281
431	1790	4424	7401	1157	10771	10999	11268	11696	13284
432	1791	4427	7404	1160	10776	11004	11273	11699	13287
441	1796	4428	7411	1167	10783	11009	11278	11702	13290
442	1797	4431	7414	1170	10788	11014	11283	11705	13293
451	1802	4435	7421	1177	10795	11019	11288	11708	13296
452	1803	4438	7424	1180	10800	11024	11293	11711	13299
461	1808	4442	7431	1187	10807	11029	11298	11714	13302
462	1809	4445	7434	1190	10812	11034	11303	11717	13305
471	1814	4449	7441	1197	10819	11039	11308	11720	13308
472	1815	4452	7444	1200	10824	11044	11313	11723	13311
481	1820	4456	7451	1207	10831	11049	11318	11726	13314
482	1821	4459	7454	1210	10836	11054	11323	11729	13317
491	1826	4463	7461	1217	10843	11059	11328	11732	13320
492	1827	4466	7464	1220	10848	11064	11333	11735	13323
501	1832	4470	7471	1227	10855	11069	11338	11738	13326
502	1833	4473	7474	1230	10860	11074	11343	11741	13329
511	1838	4477	7481	1237	10867	11079	11348	11744	13332
512	1839	4480	7484	1240	10872	11084	11353	11747	13335
521	1844	4484	7491	1247	10879	11089	11358	11750	13338
522	1845	4487	7494	1250	10884	11094	11363	11753	13341
531	1850	4491	7501	1257	10891	11099	11368	11756	13344
532	1851	4494	7504	1260	10896	11104	11373	11759	13347
541	1856	4498	7511	1267	10903	11109	11378	11762	13350
542	1857	4501	7514	1270	10908	11114	11383	11765	13353
551	1862	4505	7521	1277	10915	11119	11388	11768	13356
552	1863	4508	7524	1280	10920	11124	11393	11771	13359
561	1868	4512	7531	1287	10927	11129	11398	11774	13362
562	1869	4515	7534	1290	10932	11134	11403	11777	13365
571	1874	4519	7541	1297	10939	11139	11408	11780	13368
572	1875	4522	7544	1300	10944	11144	11413	11783	13371
581	1880	4526	7551	1307	10951	11149	11418	11786	13374
582	1881	4529	7554	1310	10956	11154	11423	11789	13377
591	1886	4533	7561	1317	10963	11159	11428	11792	13380
592	1887	4536	7564	1320	10968	11164	11433	11795	13383
601	1892	4540	7571	1327	10975	11169	11438	11798	13386
602	1893	4543	7574	1330	10980	11174	11443	11801	13389
611	1898	4547	7581	1337	10987	11179	11448	11804	13392
612	1899	4550	7584	1340	10992	11184	11453	11807	13395
621	1904	4554	7591	1347	10999	11189	11458	11810	13398
622	1905	4557	7594	1350	11004	11194	11463	11813	13401
631	1910	4561	7601	1357	11011	11199	11468	11816	13404
632	1911	4564	7604	1360	11016	11204	11473	11819	13407
641	1916	4568	7611	1367	11023	11209	11478	11822	13410
642	1917	4571	7614	1370	11028	11214	11483	11825	13413
651	1922	4575	7621	1377	11035	11219	11488	11828	13416
652	1923	4578	7624	1380	11040	11224	11493	11831	13419
661	1928	4582	7631	1387	11047	11229	11498	11834	13422
662	1929	4585	7634	1390	11052	11234	11503	11837	13425
671	1934	4589	7641	1397	11059	11239	11508	11840	13428
672	1935	4592	7644	1400	11064	11244	11513	11843	13431
681	1940	4596	7651	1407	11071	11249	11518	11846	13434
682	1941	4599	7654	1410	11076	11254	11523	11849	13437
691	1946	4603	7661	1417	11083	11259	11528	11852	13440
692	1947	4606	7664	1420	11088	11264	11533	11855	13443
701	1952	4610	7671	1427	11095	11269	11538	11858	13446
702	1953	4613	7674	1430	11100	11274	11543	11861	13449
711	1958	4617	7681	1437	11107	11279	11548	11864	13452
712	1959	4620	7684	1440	11112	11284	11553	11867	13455
721	1964	4624	7691	1447	11119	11289	11558	11870	13458
722									

CURRENCY MARKETS

Dollar Higher in U.S., European Trading

NEW YORK — The dollar, edged by strong commercial demand for the second consecutive day, moved higher in New York Thursday despite central bank intervention, dealers said. The dollar was not sufficient to set the dollar from strengthening. The dollar shrugged off selling by the U.S. Federal Reserve Bank and Japanese central banks because many analysts believed the intervention was only modest, analysts said. Several dealers said they believed that the U.S. Federal Reserve sold a moderate amount of dollars when the dollar traded at its peak.

The British pound closed in New York at \$1.4220, down 1 cent from yesterday's close of \$1.4320. The late dollar rate in New York was: 2.6335 Deutsche marks, up from 2.6375; 8.090 French francs, up from 8.039; 2.00 Swiss francs, up from 2.164; 2.00 Italian lire, up from

1,780.50, and 216.55 Japanese yen, up from 215.80.

The dollar slipped from highs at the close after a report of a \$6.8-billion drop in the basic U.S. money supply for the week ended Oct. 14, that was greater than had been expected.

The earlier central bank intervention failed to counter the dollar's rise for long because many participants saw no signs of further dollar sales during the afternoon session.

Earlier in the day, the Bundesbank confirmed that it had intervened in the open market shortly before it sold \$39.6 million at the Frankfurt fairing. Dealers said they believed that the West German central bank sold \$75 million in the open market, which was considered a small amount.

Before that, the Bank of Japan was believed to have intervened modestly in Tokyo foreign-exchange trading.

Analysts emphasized that intervention can work only for a limited

time and that Japan and West Germany would have to stimulate their economies for the recent intervention to have any long-lasting effect.

In earlier trading in Europe, currency dealers said corporations were buying dollars to settle accounts at the end of the month and investors were buying dollars to acquire U.S. securities.

The dollar closed in London at 2.6490 DM after having briefly gone above 2.6500 DM in the early afternoon. It had closed Wednesday at 2.6382 DM.

The pound ended at \$1.4215, more than one cent below its close of \$1.4335 Wednesday. In other trading Thursday, the dollar was fixed at 2.6487 DM in Frankfurt, up from 2.6372 Wednesday; at 8.08 French francs in Paris, up from 8.0324, and at 1,780.00 lire in Milan, up from 1,778.80.

The dollar closed at 2.1698 Swiss francs in Zurich, up from 2.1663, and at 216.00 yen in Tokyo, slightly up from 215.75.

(Reuters, UPI)

Subroto Says OPEC Must Guard Output

By Bob Hagerty

International Herald Tribune

LONDON — The Organization of Petroleum Exporting Countries should seek to avoid a further drop in its production rather than trying to defend a rigid official price structure, Indonesia's oil minister, Subroto, said here Thursday.

Mr. Subroto suggested that the 13 OPEC countries continue to produce about 16 million barrels a day, their current self-imposed ceiling. Instead of fixing official prices for each grade of crude, he said, OPEC might establish a range.

The Indonesian minister, who also serves as president of OPEC, made the remarks at a conference sponsored by the International Herald Tribune and the Oil Daily and in an interview afterwards. He said his proposal and others would be discussed at an OPEC meeting scheduled for Dec. 7 in Geneva.

OPEC's output has been halved over the past five years as demand has fallen and producers outside the organization, notably Britain, Norway, the Soviet Union and Mexico, have increased production. OPEC's share of oil sales in the non-communist countries has slid to about a third from two-thirds in the late 1970s.

Mr. Subroto and some other OPEC ministers fear that their countries will continue to lose market share if they try to hold their prices above free-market levels, which fluctuate daily. Saudi Arabia, OPEC's biggest producer and previously the most faithful in upholding official prices, recently started offering market-related discounts.

Mr. Subroto called the new Saudi policy a warning to all oil producers that "what others can do, the Saudis can do better." Unless non-OPEC producers join the organization in restraining their output, he warned, oil prices could plunge.

Though OPEC has made such warnings repeatedly, most non-OPEC producers have refused to reduce production. Norway's energy minister predicted Wednesday that his country's output would rise about 40 percent by 1990.

EUROMARKETS

New Zealand-Dollar Issues Surprise Dealers

By Christopher Pizze

Reuters

LONDON — The secondary bond market generally edged a slightly easier under close Thursday after a very

day, although some dealers surprised to see the announcement of two New Zealand-dollar issues. That sector has been under pressure recently from the sale of previous bonds that have

been traded, "I didn't expect New Zealand-dollar bonds, there must be a very good

reason for this," said Morgan Stanley International lead manager for one of the New Zealand-dollar issues, a 50-million-dollar bond for Nordic

Bank. Morgan Stanley firm said the funds were swapped into floating-rate dollar bonds. However, fur-

ther details of the swap were not disclosed.

The bond pays 18 percent over three years and was priced at 100 1/4. It was quoted on the when-issued market at a discount of 1 1/4. The total fees were 1 1/4 percent.

The issue has a serial sinking fund that will retire the issue in three equal annual installments. Kreditbank International said that Kreditbank SA Luxembourg is issuing a three-year New Zealand-dollar bond, which probably will not exceed 30 million dollars.

It will have a coupon of 17 1/2 percent and pricing will be fixed Friday. It was quoted on the when-issued market at a discount of 1 1/4. The total fees were 1 1/4 percent.

WMC Finance Ltd. issued a \$75-million bond paying 10 1/2 percent over seven years and priced at par. The issue was guaranteed by the parent, Western Mining Corp. Holdings Ltd., and was offered on

the when-issued market at a discount of 1 1/4 compared with total fees of 1 1/4 percent. The lead manager was S.G. Warburg & Co.

Cia. des Machines Bull became the first borrower to launch a European-currency-unit bond this week, with a 70-million-ECU issue paying 9 1/4 percent over seven years and priced at par. It was led by Banque Paribas de Paris and was quoted at a discount of 1 1/4 on the when-issued market compared with the total 1 1/4 percent fees.

On the secondary market, dealers said dollar straightened ended unchanged to a shade easier. Retail professionals still appear reluctant to commit funds to the market while the impasse over the U.S. debt ceiling continues.

Floating-rate note issues also tended to edge back slightly, with some profit-taking developing in the perpetual issues, which have been firm recently, dealers added.

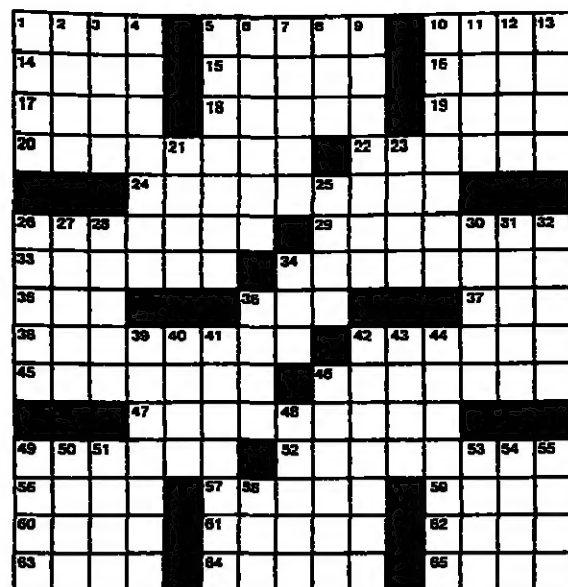
Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Gafco			Imperial Chemical Ind.			Dart & Kraft			Lilly (Eli) & Co.			NWA			Smith Barney			Transamerica		
3rd Quarter	1985	1984	3rd Quarter	1985	1984	3rd Quarter	1985	1984	3rd Quarter	1985	1984	3rd Quarter	1985	1984	3rd Quarter	1985	1984	3rd Quarter	1985	1984
Revenue	463.7	463.7	Revenue	1,221.7	1,221.7	Revenue	2,250.0	2,250.0	Revenue	787.3	787.3	Revenue	784.3	784.3	Revenue	8,527.0	8,527.0	Revenue	1,010.0	1,010.0
Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1
Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52
1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984
Revenue	463.7	463.7	Revenue	1,221.7	1,221.7	Revenue	2,250.0	2,250.0	Revenue	787.3	787.3	Revenue	784.3	784.3	Revenue	8,527.0	8,527.0	Revenue	1,010.0	1,010.0
Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1
Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52
1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984
Revenue	463.7	463.7	Revenue	1,221.7	1,221.7	Revenue	2,250.0	2,250.0	Revenue	787.3	787.3	Revenue	784.3	784.3	Revenue	8,527.0	8,527.0	Revenue	1,010.0	1,010.0
Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1
Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52
1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984
Revenue	463.7	463.7	Revenue	1,221.7	1,221.7	Revenue	2,250.0	2,250.0	Revenue	787.3	787.3	Revenue	784.3	784.3	Revenue	8,527.0	8,527.0	Revenue	1,010.0	1,010.0
Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1
Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52
1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984
Revenue	463.7	463.7	Revenue	1,221.7	1,221.7	Revenue	2,250.0	2,250.0	Revenue	787.3	787.3	Revenue	784.3	784.3	Revenue	8,527.0	8,527.0	Revenue	1,010.0	1,010.0
Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1
Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52
1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984
Revenue	463.7	463.7	Revenue	1,221.7	1,221.7	Revenue	2,250.0	2,250.0	Revenue	787.3	787.3	Revenue	784.3	784.3	Revenue	8,527.0	8,527.0	Revenue	1,010.0	1,010.0
Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1
Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52
1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984
Revenue	463.7	463.7	Revenue	1,221.7	1,221.7	Revenue	2,250.0	2,250.0	Revenue	787.3	787.3	Revenue	784.3	784.3	Revenue	8,527.0	8,527.0	Revenue	1,010.0	1,010.0
Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1
Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52
1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984
Revenue	463.7	463.7	Revenue	1,221.7	1,221.7	Revenue	2,250.0	2,250.0	Revenue	787.3	787.3	Revenue	784.3	784.3	Revenue	8,527.0	8,527.0	Revenue	1,010.0	1,010.0
Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1
Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52
1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984
Revenue	463.7	463.7	Revenue	1,221.7	1,221.7	Revenue	2,250.0	2,250.0	Revenue	787.3	787.3	Revenue	784.3	784.3	Revenue	8,527.0	8,527.0	Revenue	1,010.0	1,010.0
Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1
Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52
1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984
Revenue	463.7	463.7	Revenue	1,221.7	1,221.7	Revenue	2,250.0	2,250.0	Revenue	787.3	787.3	Revenue	784.3	784.3	Revenue	8,527.0	8,527.0	Revenue	1,010.0	1,010.0
Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1
Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52
1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984
Revenue	463.7	463.7	Revenue	1,221.7	1,221.7	Revenue	2,250.0	2,250.0	Revenue	787.3	787.3	Revenue	784.3	784.3	Revenue	8,527.0	8,527.0	Revenue	1,010.0	1,010.0
Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1
Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52
1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984
Revenue	463.7	463.7	Revenue	1,221.7	1,221.7	Revenue	2,250.0	2,250.0	Revenue	787.3	787.3	Revenue	784.3	784.3	Revenue	8,527.0	8,527.0	Revenue	1,010.0	1,010.0
Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1
Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52
1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984
Revenue	463.7	463.7	Revenue	1,221.7	1,221.7	Revenue	2,250.0	2,250.0	Revenue	787.3	787.3	Revenue	784.3	784.3	Revenue	8,527.0	8,527.0	Revenue	1,010.0	1,010.0
Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1
Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52
1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984
Revenue	463.7	463.7	Revenue	1,221.7	1,221.7	Revenue	2,250.0	2,250.0	Revenue	787.3	787.3	Revenue	784.3	784.3	Revenue	8,527.0	8,527.0	Revenue	1,010.0	1,010.0
Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1	Net Inc.	125.1	125.1
Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52	Per Share	2.52	2.52
1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984	1984					



ACROSS

1 "The music!"

5 Derby Downs

18 Challenge

14 Aircraft-related

15 P. Bailey's mom?

16 Hyaline

17 Persia, today

18 About

19 State bird of Hawaii

20 Something and

22 Intellectual

24 Object of a springtime hunt

26 Quebec land measure

28 ...delight such as only may know?"

33 Colleen

34 Something gnu

35 Seventh Greek letter

36 Its soul is brevity

37 El Dorado's treasure

38 Propped up

42 Has a connection

45 Vassal

46 Something burrowed

47 Confirms

49 Something bleu

52 Certain

56 Chronograph

57 See 34 Across

59 Goo

60 Wedding token

61 Kind of bean

62 What many a bride changes

63 Specs

64 Impudent

65 Third-day creation

DOWN

1 Jamie Green, e.g.

2 Trillion

3 Algerian port

4 Chinese silk

5 Capsulizes

6 Emulates

7 Rocky debris

8 Grampus

9 Most small-minded

10 Northernmost Irish county

11 In (sailing)

12 Rajah's wife

13 Realm of ampe.

21 Rational

22 Gula

25 Curry on

26 First Hebrew letter

27 Proportion

28 Sacred song

29 Dr. Seuss's Tlulwick

31 When Arbor Day comes

32 Signs of a sort

34 Further

36 "As you—!"

39 Chihuahua, e.g.

40 Exchange rate

41 Milk curdles

42 Gracchus

43 Child's birthday

44 Banners

46 Boxer's garb

48 Across: Prefix

49 Scurat

50 Potpourri

51 Lease

52 Wings for angeli

54 City on Seward Peninsula

55 Went like sixty

58 Chilean river

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DENNIS THE MENACE



I HAVE TO DIG A HOLE. OTHERWISE THERE WON'T BE ONE HERE!

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

PEBID

BUMIE

EXTUDO

GAMNEA



Now arrange the circled letters to form the words above. (Answers tomorrow)

Yesterday's Jumble: SQUAB TWICE MAINLY FABRIC

Answer: That snobbish snunk was unpopular because he was always putting on this—SUCH AWFUL "AIRS"

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	23	18	23	23	18
Austria	18	14	23	23	18
Belgium	18	14	23	23	18
Denmark	18	14	23	23	18
France	18	14	23	23	18
Germany	18	14	23	23	18
Greece	18	14	23	23	18
Ireland	18	14	23	23	18
Italy	18	14	23	23	18
Japan	18	14	23	23	18
Spain	18	14	23	23	18
Sweden	18	14	23	23	18
Switzerland	18	14	23	23	18
U.K.	18	14	23	23	18
U.S.	18	14	23	23	18
USSR	18	14	23	23	18
Canada	18	14	23	23	18
South America	18	14	23	23	18
Africa	18	14	23	23	18
Oceania	18	14	23	23	18

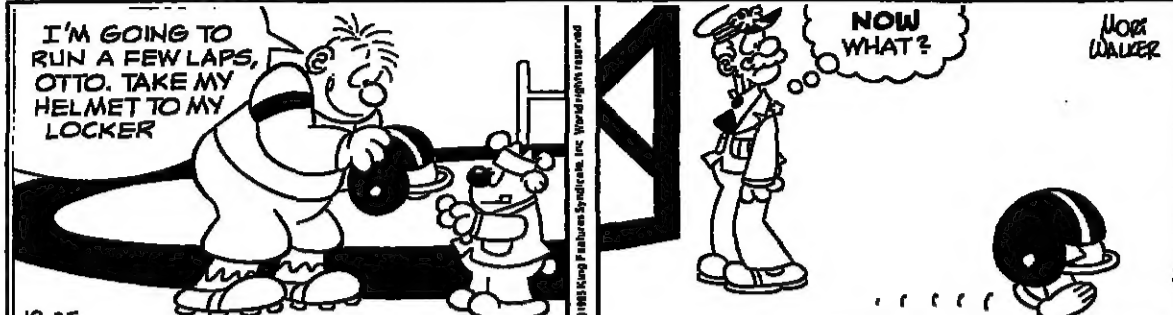
PEANUTS



BLONDIE



BEETLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



BOOKS

CITIES & PEOPLE: A Social and Architectural History

By Mark Girouard. 397 pages. \$29.95. Yale University Press, 302 Temple Street, New Haven, Conn. 06520.

Reviewed by Jonathan Yardley

IN his previous books, Mark Girouard, the eminent British architectural historian, has concentrated much of his attention—not to mention his wit, erudition and stylistic elegance—on the country dwelling places of the prosperous and powerful, but in "Cities & People" he casts a far wider net. This generously illustrated book "is concerned with Western cities from the Middle Ages up to the 20th century, in terms of who did what, why, where and when," and as such amounts to an informal history of the modern city.

Those who hate or fear cities must be warned at the outset that Girouard is an ardent partisan of urban life. He loves "the sense of drama in its widest sense: the sense that many varieties of human life are concentrated on one stage," and he most loves those cities which have welcomed and harbored the greatest diversity: Rome in the 16th and 17th centuries, where "it was possible to live the life one chose"; Paris in the 19th century, "the epitome of all the modern city had to offer"; Chicago and New York in the same century, both of them dynamic and capacious. Consider by contrast the city of the Middle Ages:

"It is hard for us to get any concept of the atmosphere of a medieval town. The life was essentially orthodox; there was as little room for dissent as in any town under a strict Communist or Islamic regime today. It was generally accepted that there were right beliefs and right ways of behaving, and that any deviation from these was punishable, often by flogging, mutilation or death."

Yet in these hermetic, claustrophobic places the seeds of the modern city were planted. As Europe emerged from the Dark Ages, as trade revived and people began to awaken from the long slumber, cities arose—the greatest of them, "the biggest, richest and most sophisticated city in the world," was Constantinople—and within them, rudimentary institutions took shape: markets gradually turned into shops, centers of financial activity formalized themselves into banks, separate business and district districts evolved, hospitals were constructed, academic activity intensified, and be-

lieve city services were undertaken. Among the latter were "the cleaning, paving, draining, widening and even lighting of streets, and the creation of new ones; the formation or enlargement of squares; the building of bridges and wells; the supply of water and grain; the building of quays and the provision of cranes on them; and the building of walls and fortifications"—almost all of which, in one form or another, have been the obligations of city government ever since.

But it was in the Renaissance that the city really came to life. Beginning with the rebuilding of Rome, the cramped medieval city began to disappear; in its place arrived the city of great vistas, the city in which spectacle was seen to be an essential part of life. One after another these cities parade through Girouard's account: Rome, Antwerp, Genoa, Amsterdam, Paris, London, and at last L'Ente, L'Ente's Washington, "arguably the most brilliant town plan ever conceived." Though these cities tended to grow randomly, there was about them more order and plan than the Middle Ages had ever imagined, and there was also vastly greater diversity and sophistication. In a brilliant chapter called "The Uses of Leisure," Girouard argues that in the modern city a crucial influence appeared:

"The crowds of fashionable people proming in coaches on the Cours in Reims or walking in the Tuileries gardens represented a new development in the European city. They formed what was later to be called 'society,' but to begin with tended to be referred to as 'polite society,' the 'beau monde' or 'people of quality.' Society had no formal existence and no legal powers, but by the 18th century many outsiders were desperately anxious to belong to it. It was a group of people who did things together, entertained each other, wore particular clothes, and talked, walked, behaved and decorated their houses in a particular manner. Any society had an inner ring, members of which were informally recognized as arbiters of who or what was acceptable. . . . Society became an extremely important element in cities, because it produced more than coaches and promenades. Theaters, opera houses, pleasure gardens, assembly rooms, race-courses, coffee-houses, shops, entire neighborhoods and ultimately entire towns grew up to cater for it."

As society came to prominence, outside the cities there was a reaction against its excesses, as well as those of the urban lower orders. "Babylon was in the air." The modern Babylon became a familiar nickname or journalistic cliché for London, and, inevitably, as Paris grew, it too began to be called Babylon. For many these modern cities were too large, too dirty, too dangerous, too steeped in luxury and wickedness. "The belief that the country is basically good and the city basically wicked can be traced deep into the past," Girouard writes, "but its particular modern form stems from the reaction against the many and undeniable horrors of big 19th-century cities."

For those of us who love the old 19th-century city, the possible dominance of the Los Angeles style is not especially happy news, but perhaps the central lesson we learn from "Cities & People" is that the nature of cities is forever changing and that the fortunes of individual cities rise and fall due to influences beyond our control.

Jonathan Yardley is on the staff of The Washington Post.

BRIDGE

By Alan Truscott

ON the diagrammed deal, North ventured a psychic three-heart bid that was quickly exposed and eventually saved in six diamonds over six clubs. His partner's double showed just one defensive trick in the partnership suite, and he did not think that he could provide a trick.

It might seem that South was in danger of losing 900 in six diamonds doubled, but he escaped for 700. When he won the club lead with the ace and exited with a club, the defense took its club trick and trump winners. East played a third club, allowing South to shed a heart and ruff in the dummy. A heart to the queen lost to the ace, and South eventually led a low heart from his hand to establish the heart jack for down four.

NORTH (♠)			
♠	♥	♦	♣
A 4 3 2	A 10 9 8 7 6 5	A 10 9 8 7 6 5	A 10 9 8 7 6 5
WEST			
♠	♥	♦	♣
K 10 9 8 7 6 5	A 10 9 8 7 6 5	A 10 9 8 7 6 5	A 10 9 8 7 6 5
EAST			
♠	♥	♦	♣
A 10 9 8 7 6 5	A 10 9 8 7 6 5	A 10 9 8 7 6 5	A 10 9 8 7 6 5
SOUTH			
♠	♥	♦	♣
A 10 9 8 7 6 5	A 10 9 8 7 6 5	A 10 9 8 7 6 5	A 10 9 8 7 6 5

Neither side was vulnerable. The bidding:

North: 1♠, 2♥, 3♥, 4♥, 5♥, 6♥, 7♥, 8♥, 9♥, 10♥, 11♥, 12♥, 13♥, 14♥, 15♥, 16♥, 17♥, 18♥, 19♥, 20♥, 21♥, 22♥, 23♥, 24♥, 25♥, 26♥, 27♥, 28♥, 29♥, 30♥, 31♥, 32♥, 33♥, 34♥, 35♥, 36♥, 37♥, 38♥, 39♥, 40♥, 41♥, 42♥, 43♥, 44♥, 45♥, 46♥, 47♥, 48♥, 49♥, 50♥, 51♥, 52♥, 53♥, 54♥, 55♥, 56♥, 57♥, 58♥, 59♥, 60♥, 61♥, 62♥, 63♥, 64♥, 65♥, 66♥, 67♥, 68♥, 69♥, 70♥, 71♥, 72♥, 73♥, 74♥, 75♥, 76♥, 77♥, 78♥, 79♥, 80♥, 81♥, 82♥, 83♥, 84♥, 85♥, 86♥, 87♥, 88♥, 89♥, 90♥, 91♥, 92♥, 93♥, 94♥, 95♥, 96♥, 97♥, 98♥, 99♥, 100♥, 101♥, 102♥, 103♥, 104♥, 105♥, 106♥, 107♥, 108♥, 109♥, 110♥, 111♥, 112♥, 113♥, 114♥, 115♥, 116♥, 117♥, 118♥, 119♥, 120♥, 121♥, 122♥, 123♥, 124♥, 125♥, 126♥, 127♥, 128♥, 129♥, 130♥, 131♥, 132♥, 133♥, 134♥, 135♥, 136♥, 137♥, 138♥, 139♥, 140♥, 141♥, 142♥, 143♥, 144♥, 145♥, 146♥, 147♥, 148♥, 149♥, 150♥, 151♥, 152♥, 153♥, 154♥, 155♥, 156♥, 157♥, 158♥, 159♥, 160♥, 161♥, 162♥, 163♥, 164♥, 165♥, 166♥, 167♥, 168♥, 169♥, 170♥, 171♥, 172♥, 173♥, 174♥, 175♥, 176♥, 177♥, 178♥, 179♥, 180♥, 181♥, 182♥, 183♥, 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